



بنك بويان
Boubyan Bank

Sustainability Report 2020
"A Gene and Core Value"

Towards perfection

In the Name of Allah, Most Gracious, Most Merciful

**“Verily, Allah is the All-Provider,
Possessor of Power, the Mighty”**

Allah the Almighty speaks the truth



H.H. Sheikh
Nawaf Al-Ahmad Al-Jaber Al-Sabah
Amir of the State of Kuwait



H.H. Sheikh
Mishal Al-Ahmad Al-Jaber Al-Sabah
Crown Prince

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Scope

(102-1, 102-46, 102-52)

This Sustainability Report 2020 was developed to report the activities of Boubyan Group, providing key non-financial information and sustainability /Environmental, Social, and Governance (ESG) performance.

Boubyan Group comprises: Boubyan Bank, Boubyan Capital, Boubyan Takaful, Boubyan National and the Bank of London and the Middle East (BLME). Throughout this report, any mention of “Boubyan” refers to Boubyan Group, including the aforementioned subsidiaries.

About This Report

Reporting Period

(102-50)

Boubyan Group's Sustainability Report 2020 covers the period from January 1, 2020 to December 31, 2020.

Global Reporting Initiative (GRI) Compliance

(102-54)

Boubyan Group's Sustainability Report 2020 was developed in compliance with the core option of Global Reporting Initiative (GRI) reporting framework disclosure standards. This includes the development of a materiality assessment and matrix, and reporting against the core key performance indicators (KPIs) of GRI.

Acknowledgement

Boubyan Group's Sustainability Report 2020 was developed with the support of RSM Consulting W.L.L.

Queries and Contact

(102-53)

We welcome your feedback comments and queries concerning Boubyan Group and this report. Please contact us through the following channels:

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bankboubyan.com | @bankboubyan

Message from the Group CEO

(102-14, 102-16)



Adel Abdul Wahab Al-Majed,
Group CEO

By the Grace of Allah, the Almighty

It is my pleasure to introduce the release of Boubyan's first Sustainability Report for the year 2020, titled: **"Sustainability – a Gene and Core Value."** Sustainability and Environmental, Social, and Governance (ESG) aspects are important to evaluate Boubyan's performance, growth, positioning as leaders in digital banking, integration within our core values and business operational context, and impacts on varied stakeholders.

Message from the Group CEO

In line with best practices in sustainability reporting, Boubyan focused on a range of topics that include: our general sustainability approach, governance, marketplace experience, innovation and digitization, the workplace, our social engagement, our environmental impacts, among other topics. Reporting in these areas has been developed into a baseline. The aim is to develop further sustainability reports to compare our performance to this baseline.

Furthermore, as 2020 was an exceptional year due to the onset of the COVID-19 pandemic, connections to this situation have been displayed throughout the report. This allows us to consider our performance throughout in this context, noting that our sustainability / ESG elements serve as an indication of our resilience against our risks and challenges.

Boubyan recognizes that sustainability is a valuable driver for us towards our vision of aspiring to be a top Islamic bank, and we aim to be on top with our sustainable performance as well. In addition, sustainability supports our mission of achieving excellence, as the excellence areas Boubyan aims for include a number of sustainability and ESG elements. These sustainable directions have a direct link with our 5 core values as well, highlighting various ways in which our report caters to a range of stakeholders emphasized throughout our values—namely customers and employees,

among others. Boubyan's aim is to be transparent as to Boubyan's impacts on and impacts from our varied internal and external stakeholders. I would like to reiterate the fact that our sustainability / ESG performance has shown to be crucial in ensuring our business continuity and resilience, especially in the face of the COVID-19 pandemic.

Sustainability Report Alignment

While Boubyan looks at best practices in setting the strategy and developing our report, Boubyan strongly considers alignment with a number of national and international sustainability / ESG frameworks and drivers. Frameworks emphasized throughout our report include: the Sustainable Development Goals (SDGs), Kuwait National Development Plan (KNDP), Kuwait Boursa sustainability disclosures, and ESG indicators, among others. Notably, the report was developed in accordance with the Global Reporting Initiative (GRI) standards

for sustainability reporting. In line with GRI, the report followed stakeholder engagement best practices, ensuring that non-financial / sustainability-related performance was addressed and communicated to Boubyan's internal and external stakeholders.

Youth Empowerment

Boubyan is committed to empowering our youth, working from a number of perspectives, which are explained more throughout our report and particularly in our chapter: "Engaging Our Society." This includes, among other figures, a total 24 interns trained, 88 fresh university graduates in our workforce, and 34% of our customer base comprising youth customers.

SME Support

Boubyan is committed to especially supporting small and medium enterprises (SMEs), ensuring that we have an impact on developing Kuwait's economy from its roots. This is shown through our products and services catered to our SME clients, as Boubyan currently has 2,500 SME clients. Boubyan has also conducted the Incubation Program, which is an initiative that assists and incubates entrepreneurs by providing the knowledge, training, networking facilities, workshops, and access to mentors needed by SMEs to help them grow, innovate, and become established.

Customer Experience through Digitization

As our customers are a valuable stakeholder for Boubyan, we put extensive efforts into assessing customer experience, and further improving it, especially through our digitization and innovation developments. As a result of this

commitment, Boubyan has seen our customer complaints decreasing by 75.1%, a customer satisfaction index (CSI) rating of 98%, and a Net Promoter Score (NPS) of 72%.

Engaging with Society

Boubyan is committed to giving back to the society in which it operates, highlighting its role as a responsible corporate citizen. Some relevant figures in this area include a number of investments into and support of the community through a range of initiatives (ie. financial, volunteering, engagement, guidance), volunteering hours recorded at 520 total hours, as well as the implementation of 12 health-related initiatives, 11 youth / educational initiatives, and 2 environmental initiatives.

Sustainable Workplace

As our employees are valuable internal stakeholders, Boubyan exhibits our ways of taking care of our employees through the integration of sustainability elements. Some related achievements in our workforce include, among others, a 40.6% decrease in employee turnover, and hiring 173 additional employees. I would like to stress this achievement of largely reducing our turnover and hiring additional employees despite the challenges of COVID-19 and associated turnover seen among other organizations. Furthermore, in line with our commitment to national empowerment, we recorded a Kuwaitization rate attributable to Boubyan Bank of 77% out of the total workforce. In addition, Boubyan reports the representation of women in our workforce and in 2020 female employees made up 17.2% of managers and above, and 7% of executive

Message from the Group CEO

managers and above. These indicators of female employee empowerment are considered as a baseline / direction for us towards further gender diversity in the future. Furthermore, in line with supporting our employees through training and development opportunities, Boubyan has recorded 46,710 training hours provided through 224 courses.

Environmental Impacts

As a result of a range of factors, including remote working and digital developments, Boubyan had a number of achievements in terms of our environmental impact. These include, among others, a decrease of 29% in our paper consumption, a decrease of 38% in our plastic usage, and calculation of our greenhouse gas (GHG) emissions across a number of scopes.

Thank You

Firstly, on behalf of Boubyan, I would like to extend deep thanks to His Highness, the Amir of Kuwait, Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah, and to His Highness, the Crown Prince, Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah, may Allah protect them both. I would also like to thank all individuals involved for their valued efforts over the development of our report, as well as our range of internal and external stakeholders who contribute daily to our great success.

In Closing

Finally, we are proud of our commitment to sustainability and, with the development of our baseline report, Boubyan looks forward to continuing this practice by publishing additional sustainability disclosures in this future. Boubyan aims to advance this practice in the future, ensuring that we remain transparent with our valuable stakeholders, and remain competitive and comparable to our peers locally and internationally.

We hope you enjoy reading through Boubyan's Sustainability Report 2020, and we look forward to any feedback and engagement from our stakeholders regarding any information given in our report.

Peace Be With You

Adel Abdul Wahab Al-Majed,
Group CEO



OUR SUSTAINABILITY

HIGHLIGHTS



Customer complaints
75.1% decrease



Customer Satisfaction Index (CSI)
98%



Internships
24 interns



Training hours
46,710 hours



Number of data leaks
0 Zero



Local procurement
81% local suppliers



Kuwaitization rate (Boubyan Bank)
77%



Females in the workforce
17.2% female managers and above
7% female executives and above



Employee turnover
40.6% decrease



New hires
173 employees



Employee complaints
75% decrease



Number of SME clients
2,500 clients

OUR SUSTAINABILITY

HIGHLIGHTS



Percentage of youth clients out of total clients
34% youth customers



Number of community initiatives
Education **11** initiatives
Health **12** initiatives
Environment **2** initiatives



Paper consumption
29% decrease



Greenhouse gas (GHG) savings from paper reduction
129 MTCO₂e



Number of fresh graduates employed
88 graduates



Plastic consumption
38% decrease



Scope I GHG emissions
75 MTCO₂e



Scope II GHG emissions
6,984 MTCO₂e



Scope III GHG emissions
133 MTCO₂e



Total GHG emissions
7,191 MTCO₂e



Volunteering hours
520 hours



Awards and recognitions
8 awards

Boubyan at a Glance

(102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-16)

Boubyan comprises a group of entities that include Boubyan Bank and four subsidiaries providing banking, investment and asset management, takaful insurance, and property management activities with the specific entities listed in Figure 1.1. Boubyan is renowned for its excellence and dedication to customer service and its market leadership in innovation.

Figure 1.1: Boubyan Entities



Boubyan Bank is a leading Islamic bank based in Kuwait, providing a variety of banking services to both individuals and corporate customers. Boubyan Bank provides retail banking, corporate banking and wealth management services in accordance with provisions of the Noble Islamic Sharia'a. Boubyan Bank was first established in 2004, with paid-up capital 100 million KD.

Boubyan is known for its provision of digital and innovative banking services and market-leading products in Kuwait. Boubyan is also ranked as an advanced private sector institution in Kuwait in the field of customer service. Creativity and innovation have always been cornerstones for Boubyan's business model, as we are keen on reinforcing this value through our innovative digital and electronic banking services many of which were offered for the first time in Kuwait.

Boubyan Bank is listed on the Kuwait Stock Exchange (Kuwait Boursa), and is subject to both Central Bank of Kuwait (CBK) and Capital Markets Authority (CMA) regulations, including in terms of ownership/ majority acquisition aspects. Accordingly, Boubyan discloses any ownerships that exceed 5%. As of November 24, 2020, the major shareholders of Boubyan owning or controlling more than 5% of capital include the National Bank of Kuwait S.A.K. and the Commercial Bank of Kuwait S.A.K.



Vision:

“We aspire to become one of the top 5 Islamic banks in the world.”

Mission:

“Achieving excellence in everything we do.”

Values:

- 1) Always focusing on our customers and providing a safe banking experience.
- 2) Fostering creativity and innovation in the products and services we offer and in the way we work with adequate risk appetite.
- 3) Working as a team to exceed our individual expectations.
- 4) Maintaining the highest standards of integrity and professionalism.
- 5) Focusing on our employees by creating a high-performance organization that nurtures, develops, and provides exceptional opportunities for our people.

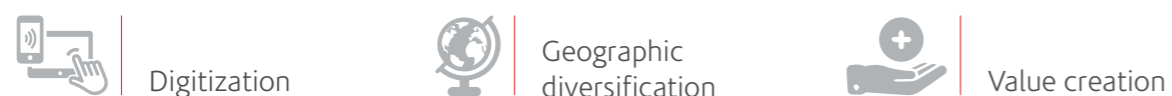


1.2 Direction (102-16)

Boubyan’s business direction is driven by the clear direction of our vision and mission statements, and 5 values. Note that our direction emphasizes elements related to excellence, innovation, and top performance, while catering for a range of stakeholders that include customers and employees.

In addition, Boubyan is guided by a set of 3 strategic directions identified for our future aspirations, which are listed in Figure 1.2a. Accordingly, the first strategic direction of digitization shows a focus on Kuwait with the aim of establishing a state of the art digital platform in Kuwait. Furthermore, Boubyan aims to sustain growth, especially in retail and corporate banking businesses, and continue to offer digital and cost-conscious products. The remaining two strategic directions (geographical diversification and value creation) will be achieved through Bank of London and The Middle East (BLME) and their focus on wealth management value proposition for high-net-worth clients - while also acting as an International digital platform to offer offshore banking for the affluent and mass affluent segments.

Figure 1.2a: Strategic Directions



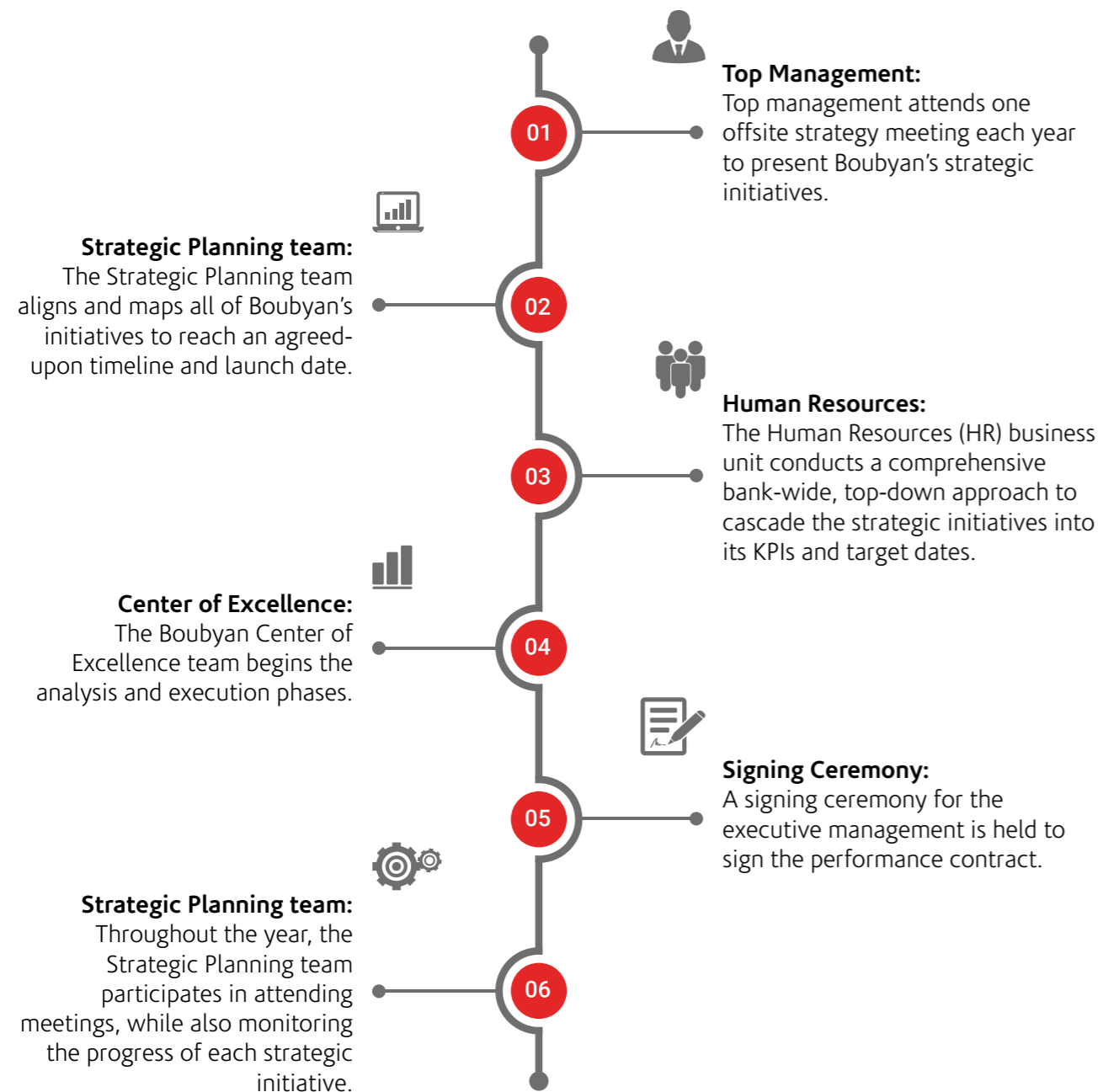
Throughout the execution of our strategy, we follow a set of 5 guiding principles, explained in Figure 1.2b as follows:

Figure 1.2b: Guiding Principles of Strategy Execution

1. **We are Champions of the Vision..** We actively participate in work that achieves the vision.
2. **We are the Customer..** Our customer is a very important stakeholder. We provide a safe banking experience. We treat the customer as we would like to be treated—with transparency and sincerity. We earn customers’ loyalty through integrity.
3. **We are Innovators..** We innovate efficiently, factoring risk with the long-term perspective in mind.
4. **We Take Ownership..** We are all accountable for delivering on our commitments, and we own our outcomes.
5. **We are One Boubyan..** We are all builders, and we teach by doing.

Boubyan ensures that the strategy is cascaded within our workforce and business units, while ensuring application of strategy elements. Accordingly, the 6-step process laid out in Figure 1.2c is followed to formulate and execute the strategy.

Figure 1.2c: Process for Strategy Formulation and Integration



1.3 Subsidiaries

(102-2, 102-3, 102-4, 102-6)

Boubyan comprises of Boubyan Bank and 4 subsidiaries, as listed and explained in the following;

Boubyan Capital

Boubyan Capital is a Sharia'a-compliant investment company based in Kuwait. It provides services which include:

- Asset management
- Alternative investments
- Brokerage services to institutions and high-net-worth individuals
- Management of the property investments of Boubyan Group

Boubyan Takaful

Boubyan Takaful is a Sharia'a-compliant insurance company based in Kuwait, offering a wide range of insurance products under various classes of business, including:

- Motor
- Fire and general accident
- Marine and aviation
- Family takaful and medical

These insurance products are all provided on the basis of Takaful insurance in line with Islamic principles under the supervision of our Sharia'a Board.

Boubyan National

Boubyan National is a real estate services company based in Kuwait, providing:

- Land and real estate development
- Rental and leasing
- Property maintenance
- General contracting services
- Managing the property interests of the Boubyan Group

These activities are all conducted while working in accordance with Islamic Sharia'a, and applying Islamic teachings in the transactions.

Bank of London and the Middle East (BLME)

The Bank of London and The Middle East (BLME) is an award-winning, Sharia'a-compliant bank, providing real estate-focused wealth management solutions, as well as commercial real estate finance and savings products. Based in London, with offices in the United Kingdom (UK) and the United Arab Emirates (UAE), BLME became a subsidiary of Boubyan Bank following a successful acquisition in 2020—consolidating Boubyan's long-standing ownership in BLME since its foundation in 2007.



2 | Sustainability Approach

Boubyan's sustainability approach forms the basis of our sustainability report development. The sustainability approach ensures reflection of our performance throughout the 4 sustainability / ESG dimensions—namely Marketplace, Environment, Workplace, and Community (MEWC).

Our sustainability approach is also aligned with national and international directions, that include UN Sustainable Development Goals (SDGs) and the Kuwait National Development Plan (KNDP), among others. Ultimately, this section emphasizes how Sustainability is a “Gene and Core Value” for Boubyan. Defining this sustainability approach sets a foundation against which the quantitative and qualitative information was reported, based on prioritized areas of focus (material topics), derived from materiality assessment conducted via stakeholder engagement. Specifically, our sustainability approach is built around the set of 18 material topics assessed.

2.1 Sustainability Assessment

(102-21, 102-29, 102-40, 102-42, 102-44, 102-47, 103-1, 103-2)

Conducting the adequate sustainability assessments as a foundation to sustainability reporting is a crucial step. These qualitative and quantitative assessments ensure that our reporting practices are developed in line with national and international sustainability frameworks, Boubyan’s strategic directions, and the significant areas and concerns for Boubyan’s stakeholders. This is even more crucial considering that this is Boubyan’s first sustainability report, and forms the baseline for all future sustainability reports, starting with an emphasis of how sustainability is a “Gene and Core Value” for Boubyan. More information about the sustainability assessments conducted and their results are found in this section.

Throughout this report, Boubyan has taken both qualitative and quantitative approaches to sustainability disclosures—qualitative in terms of discussing our performance in certain areas, and quantitative in terms of measuring and evaluating sustainability / ESG KPIs. The quantitative sustainability assessment is in the form of KPIs evaluated and reported in their respective chapters; specifically, one KPI distributed across the report sections is the sustainability return on investment (SROI). The qualitative assessment was conducted in the form of a materiality assessment, in compliance with the Global Reporting Initiative (GRI) reporting standards framework.

2.1.1 Qualitative Assessment

(102-21, 102-40, 102-44, 102-47, 103-1, 103-2, 103-3)

The qualitative sustainability assessment for Boubyan was conducted through a materiality assessment. This assessment involved the identification, rating, and prioritization of topics that could be the most material (significant) to stakeholders—accomplished through benchmarking and stakeholder engagement methods. Then, the results were plotted on a matrix that prioritizes the topics’ significance. Next, it was ensured that the topics throughout the report were in line with the materiality assessment results, in order to make sure that the report covers the most important information / areas for the concerned stakeholders.

Internal and External Considerations

(102-21, 102-40, 102-42, 102-43)

The materiality assessment took a two-pronged approach: on one hand, the material topics were rated by internal stakeholders; on the other hand, the same material topics were benchmarked against a number of regional and internal best-practice entities within the industry. Accordingly, Figure 2.1.1a displays the 18 material topics identified for Boubyan stakeholders. In addition, the specific benchmarks used for analysis include 2 local, 3 regional, and 3 international entities.

Figure 2.1.1a: Material Topics and Description

	Material Topic	Description
1	Digitization and technology	Platforms, channels, mobile apps, automated processes, digital marketing
2	Innovation	Innovation methods applied within Boubyan operations and strategy, and externally while developing or enhancing customer services / products or experience, digital transformation cycle, breakthrough banking solutions
3	Responsible services and solutions	Conscious services (i.e. in terms of environmental savings, impact on the community), retail banking services, corporate banking services, accessible products
4	Customer experience	Customer journey, customer satisfaction, customer feedback, complaints, customer privacy and security, transparency
5	Dynamic Islamic services	Providing competitive and innovative products and services within Sharia’a banking practices, customer experience influencer for Islamic and conventional market segment, role of Sharia’a banking in business development and profits, financial models
6	Brand power and recognition	Expansion, international and regional growth, awards, Service Hero, ratings, brand value
7	Sound governance	Corporate values, corporate structure, shareholders, policies and standards, compliance, code of conduct, committees, conflict of interest
8	Risk management and business resiliency	Risk controls, risk mitigation, stress testing, crisis management, COVID-19 impact, stability against AML, fraud, corruption, business continuity
9	SME support	Contribution to Small and Medium sized Enterprises (SMEs), services offered
10	Youth empowerment	Community initiatives targeting youth, youth in managerial positions, internships and development programs
11	Diverse community impact	Events, engagement methods, social media, initiatives during COVID-19, campaigns, direct economic impact, supporting youth, women, education and health
12	National empowerment	Attracting and maintaining Kuwaiti talents (Kuwaitization%)
13	Capacity building	Continuous learning and development assessment and implementation
14	Employee diversity and inclusion	Gender diversity, age diversity, female representation and empowerment, religion diversity, special needs
15	Employee rights and engagement	Performance management, retention, labor standards, events, employee satisfaction, compensation
16	Health and safety	Organizational health index (OHI), COVID-19 initiatives, stakeholders’ safety
17	Sustainable procurement	Local vs. foreign suppliers, transparency, environmental impact, code of conduct, due diligence
18	Environmental Impact	Waste management, water management, energy efficiency, compliance to regulations, GHG emissions and intensity

Materiality Matrix
(102-21, 102-44, 102-47, 103-1)

Based on the previously conveyed materiality results, a materiality matrix was developed to consolidate the results from both the benchmarking analysis and the stakeholders' ratings. Figure 2.1.1b displays the materiality matrix, while Figure 2.1.1c shows how the material topics are categorized into 4 combinations of High or Low Impact or

Importance materiality based on matrix results. Further emphasizing the integration of these material topics into our sustainability report development, the beginning of each chapter displays the material topics (aligned with their ESG areas) that are relevant to the topics within the associated report chapter.

Figure 2.1.1b: Materiality Matrix

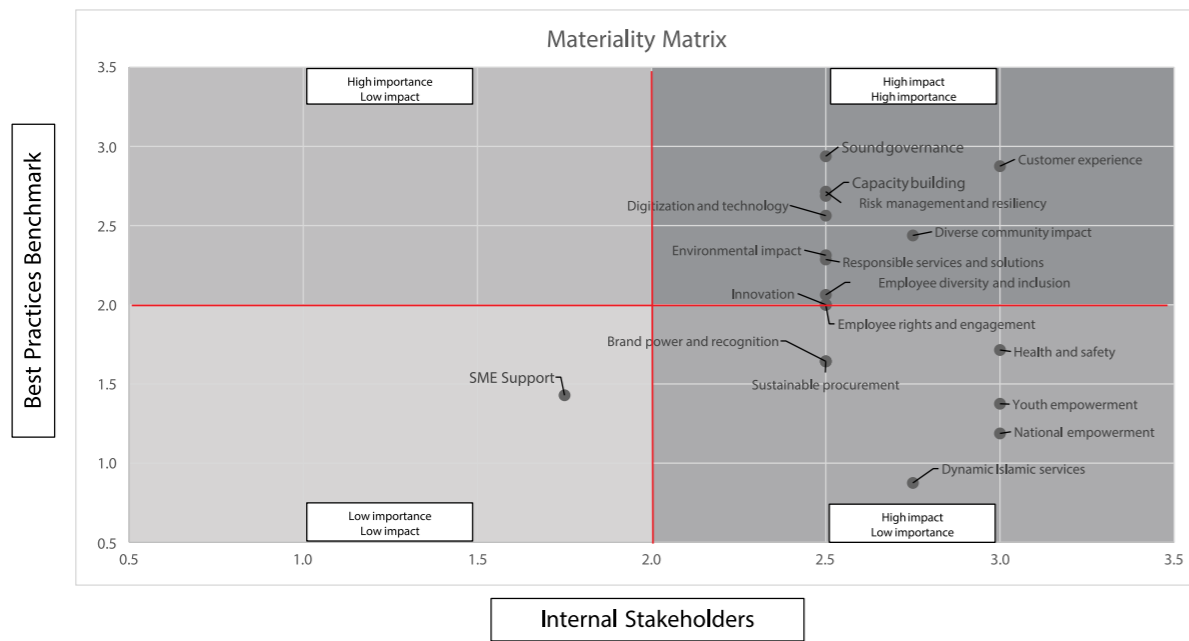


Figure 2.1.1c: Materiality Levels

Material Topic	Materiality Level
1 Digitization and technology	High impact, High importance
2 Innovation	High impact, High importance
3 Responsible services and solutions	High impact, High importance
4 Customer experience	High impact, High importance
5 Dynamic Islamic services	High impact, Low importance
6 Brand power and recognition	High impact, Low importance
7 Sound governance	High impact, High importance
8 Risk management and business resiliency	High impact, High importance
9 SME support	Low importance, Low impact
10 Youth empowerment	High impact, Low importance
11 Diverse community impact	High impact, High importance
12 National empowerment	High impact, Low importance
13 Capacity building	High impact, High importance
14 Employee diversity and inclusion	High impact, High importance
15 Employee rights and engagement	High impact, Low importance
16 Health and safety	High impact, Low importance
17 Sustainable procurement	High impact, Low importance
18 Environmental Impact	High impact, High importance

2.1.2 Quantitative Assessment
(102-15, 102-29, 102-44)

Supplementing the qualitative approach of materiality assessment, other sustainability / ESG aspects were measured and assessed through related material topics and KPIs. One important sustainability / ESG KPI we used here and throughout the report was the sustainability return on investment (SROI). SROI is used to assess what is most impactful for initiatives and projects, setting up criteria for evaluating projects and initiatives, especially those related to the community, environment, business, and workplace.

Because outcomes are often intangible or immeasurable through traditional means, calculations were done to convert them to measurable numbers and retrieve SROI percentage results. As a result, 15 SROI calculations were conducted and these are reported throughout this report. On top of communicating evaluation results, this SROI approach will support Boubyan in decision-making for future sustainability-related projects and initiatives.

SROI Level Scale Legend
 • 0-99%: medium
 • 100 - 299%: high
 • 300%+: very high

2.2 Stakeholder Engagement

(102-21, 102-33, 102-40, 102-42, 102-43, 102-44)

Engagement with our stakeholders is key to ensuring a harmonious sustainability / ESG journey for Boubyan. The results of our engagement with stakeholders are provided in this section.

Specifically, stakeholder engagement involves being aware of Boubyan's relationship with and impacts from and on stakeholders, transparently communicating with these stakeholders, and appropriately monitoring, assessing, and improving stakeholder impacts and engagements. In order to engage with external and internal stakeholders, Boubyan utilizes a number of tools / mechanisms; a selection of these is listed as follows. Their relevance varies

depending on the type of stakeholder engaged with:

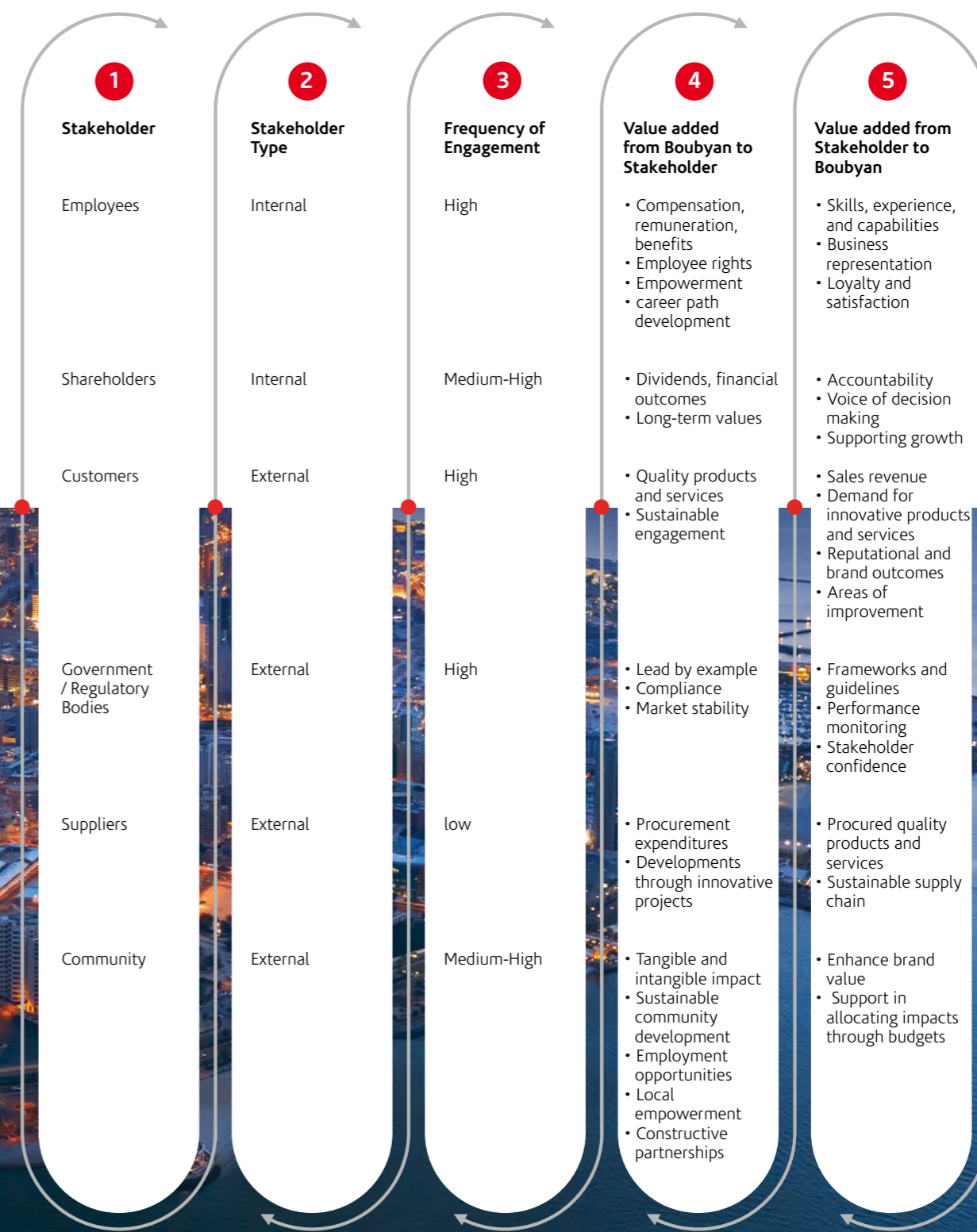
- Emails
- Telephone
- Virtual meetings
- Physical meetings
- Conferences
- Reports
- Social media
- Websites

Moreover, Figure 2.2 provides more details concerning the frequency of engagement with each stakeholder, as well as the value added to Boubyan and to the stakeholder from the engagement.

Figure 2.2: Stakeholder Engagement

legend for stakeholder engagement frequency:

- High: daily basis
- Medium-High: weekly to monthly basis
- Medium: Monthly basis
- Low: yearly basis



2.3 Sustainability / ESG Directions

(102-12, 102-16, 102-29, 102-44)

It is important for Boubyan to have solid sustainability / ESG directions, in alignment with other frameworks, and either directly or indirectly embedded in their strategic directions. In this regard, Boubyan's sustainability / ESG directions are presented in this section. In recognition of Sustainability – "Gene and Core Value," the sustainability / ESG directions embedded throughout Boubyan Sustainability Report 2020 are derived from well-known international and national sustainability / ESG frameworks and drivers, which include:

- UN Sustainable Development Goals (SDGs)

- Kuwait 2035 Vision / Kuwait National Development Plan (KNDP)
- Kuwait Boursa voluntary sustainability disclosures
- Various Environmental, Social, Governance (ESG) criteria

This strong alignment has especially been ensured through the KPIs and data points against which Boubyan collected, measured, evaluated, and reported its performance throughout this report. More directly, Figure 2.3a displays an alignment of the report's material topics to the aforementioned sustainability/ ESG frameworks, specifically the SDGs and KNDP.

Figure 2.3a: Material Topics Alignment

Material Topic	SDGs	KNDP
1 Digitization and technology	8: Decent Work and Economic Growth 9: Industry, Innovation and Infrastructure 11: Sustainable Cities and Communities	• Global Positioning • Diversified Economy • Developed Infrastructure • Sustainable Living Environment
2 Integrated innovation	8: Decent Work and Economic Growth 9: Industry, Innovation and Infrastructure 11: Sustainable Cities and Communities	• Global Positioning • Diversified Economy • Developed Infrastructure
3 Responsible services and solutions	8: Decent Work and Economic Growth 11: Sustainable Cities and Communities	• Global Positioning • Diversified Economy • Sustainable Living Environment
4 Customer experience	8: Decent Work and Economic Growth 9: Industry, Innovation and Infrastructure 10: Reduced Inequalities 11: Sustainable Cities and Communities 12: Responsible Consumption and Production	• Global Positioning • Diversified Economy
5 Dynamic Islamic services	8: Decent Work and Economic Growth 9: Industry, Innovation and Infrastructure 10: Reduced Inequalities 16: Peace, Justice and Strong Institution 17: Partnerships for the Goals	• Global Positioning • Diversified Economy
6 Brand power and recognition	8: Decent Work and Economic Growth 9: Industry, Innovation and Infrastructure 16: Peace, Justice and Strong Institution 17: Partnerships for the Goals	• Global Positioning • Diversified Economy








Material Topic	SDGs	KNDP
7 Sound governance	8: Decent Work and Economic Growth 9: Industry, Innovation and Infrastructure 16: Peace, Justice, and Strong Institutions 17: Partnerships for the Goals	• Global Positioning
8 Risk management and business resiliency	8: Decent Work and Economic Growth 16: Peace, Justice, and Strong Institutions	• Global Positioning
9 SME support	8: Decent Work and Economic Growth 9: Industry, Innovation and Infrastructure 11: Sustainable Cities and Communities 16: Peace, Justice and Strong Institutions 17: Partnerships for the Goals	• Global Positioning • Diversified Economy
10 Youth empowerment	4: Good Education 8: Decent Work and Economic Growth 9: Industry, Innovation and Infrastructure 11: Sustainable Cities and Communities	• Global Positioning • Diversified Economy • Creative Human Capital
11 Diverse community impact	1: No Poverty 2: Zero Hunger 3: Good Health and Well-being 4: Quality Education 10: Reduced Inequalities 11: Sustainable Cities and Communities 16: Peace, Justice, and Strong Institutions 17: Partnerships for the Goals	• Global Positioning • High Quality Healthcare
12 National empowerment	8: Decent Work and Economic Growth 10: Reduced Inequalities	• Creative Human Capital
13 Capacity building	4: Quality and Education 8: Decent Work and Economic Growth 10: Reduced Inequalities 17: Partnerships for the Goals	• Global Positioning • Creative Human Capital
14 Employee diversity and inclusion	5: Gender Equality 8: Decent Work and Economic Growth 10: Reduced Inequalities	• Creative Human Capital
15 Employee rights and engagement	8: Decent Work and Economic Growth 10: Reduced Inequalities	• Creative Human Capital
16 Health and safety	3: Good Health and Well-being 8: Decent Work and Economic Growth	• High Quality Healthcare
17 Sustainable procurement	8: Decent Work and Economic Growth 11: Sustainable Cities and Communities 12: Responsible Consumption and Production 17: Partnerships for the Goals	• Sustainable Living Environment • Diversified Economy
18 Environmental Impact	6: Clean Water and Sanitation 7: Renewable Energy 11: Sustainable Cities and Communities 12: Responsible Consumption 13: Climate Action 14: Life below Water 15: Life on Land	• Global Positioning • Sustainable Living Environment

Kuwait 2035 Vision Alignment

Boubyan's strategy is aligned to the Kuwait 2035 Vision / Kuwait National Development Plan (KNDP), which ensures that we are contributing to furthering local sustainability

agendas. Accordingly, Figure 2.3b shows the alignment of KNDP pillars to their respective sections of the sustainability report.

Figure 2.3b: KNDP Report Alignment

KNDP Pillar	Sustainability Report Chapter	Explanation
 Global Position	• Throughout the report (Chapters 1 - 8)	Global positioning elements are displayed throughout the report, as the report KPIs to assessing and reporting sustainability / ESG information is derived from a range of international frameworks and best practices.
 Creative Human Capital	• Chapter 5: Managing our Human Capital	Reported varied information related to Boubyan's workforce, Kuwaitization, training, supporting the youth in their career development, among others.
 High Quality Healthcare	• Chapter 4: Sustainable Marketplace Experience • Chapter 5: Managing our Human Capital • Chapter 6: Engaging our Society • Chapter 7: Impacting through Innovation & Digitization	Health and safety elements are reported throughout our products and services (ie. health insurance and financing), customer health and safety, employee health and safety, technologies that safeguard stakeholders' health, and social engagement related to health initiatives.
 Sustainable Living Environment	• Chapter 7: Impacting through Innovation & Digitization • Chapter 8: Assessing Our Environmental Impact	Various elements and KPIs related to our environmental impact are measured and reported, especially those arising through our use of technology.
 Developed Infrastructure	• Chapter 4: Sustainable Marketplace Experience	Infrastructure aspects are related to our products and services related to financing.
 Sustainable Diversified Economy	• Chapter 4: Sustainable Marketplace Experience • Chapter 6: Engaging our Society	Reported information about Boubyan's economic performance, direct economic impacts on stakeholders, community investment, support of and contribution to small and medium sized enterprises (SMEs), among others.
 Effective Public Administration	• Chapter 3: Sound Governance	Reported various compliance matters and our transparency to regulatory standards and requirements.

UN Sustainable Development Goals (SDGs) Alignment

Boubyan is aware that its sustainability / ESG directions, evaluation, and reporting are in line with specific goals from the UN Sustainable Development Goals (SDGs) framework. Accordingly, Figure 2.3c shows the alignment of specific SDGs to the specific sections of the

report. In addition, further alignment between Boubyan and the SDGs is displayed for each chapter throughout the report, emphasizing the ways in which we contribute to (and have a connection with) global sustainability / ESG directions throughout our own sustainability / ESG performance.

Figure 2.3c: SDG Report Alignment

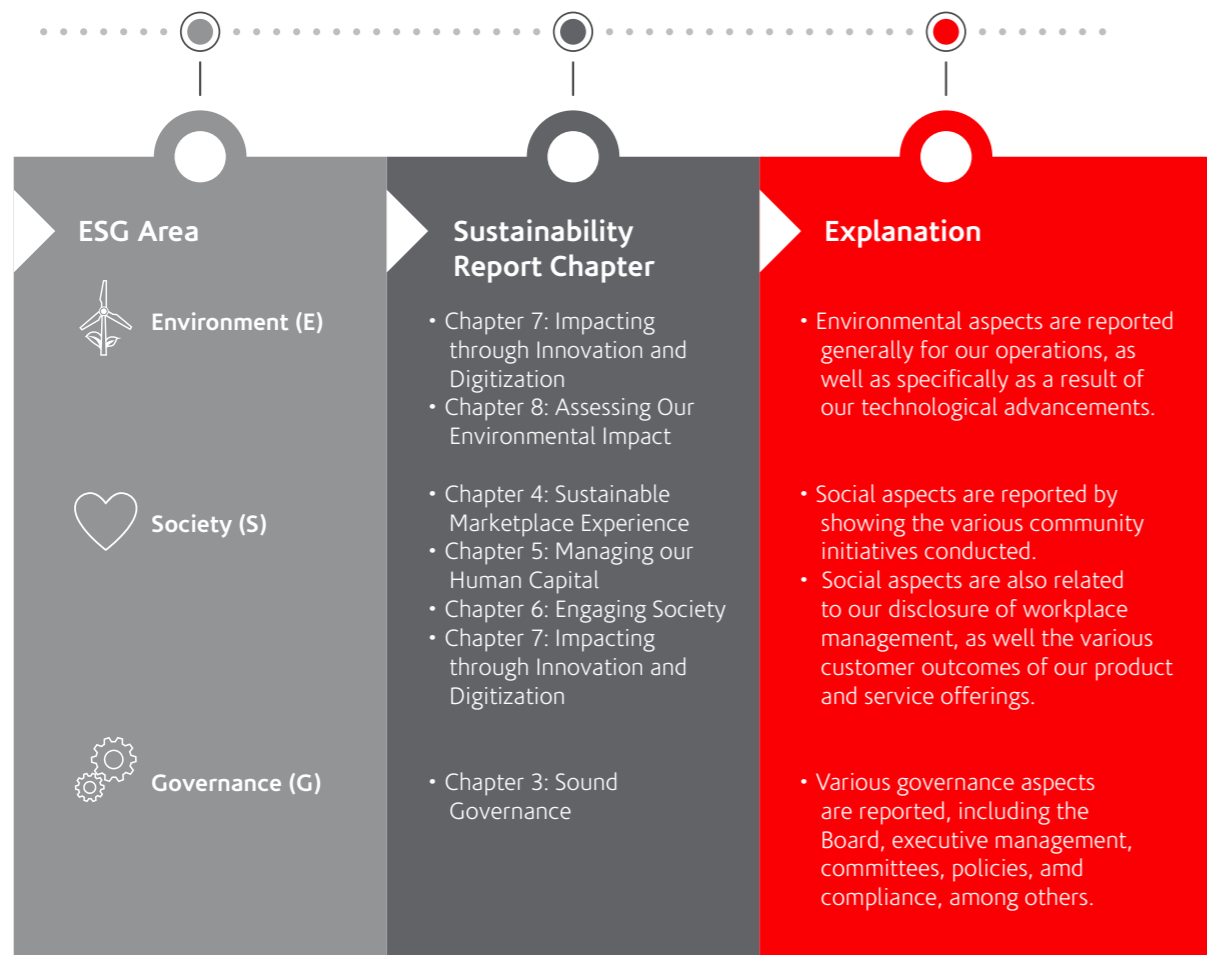
SDG Goal	Sustainability Report Chapter	Explanation
 SDG 1: no poverty	• Chapter 5: Managing our Human Capital • Chapter 6: Engaging with our Society	• Boubyan contributes to alleviating poverty through both community engagement and the direct economic impact on employees.
 SDG 2: zero hunger	• Chapter 6: Engaging with our Society	• Boubyan contributes to alleviating hunger through social engagement, such as food bank donations.
 SDG 3: good health and well-being	• Chapter 4: Sustainable Marketplace Experience • Chapter 7 : Impacting through Innovation and Digitization • Chapter 5: Managing our Human Capital • Chapter 6: Engaging with our Society	• Boubyan aims to promote a healthy lifestyle initiative through numerous events and bulletins broadcasted to all employees. • Various health outcomes are also included within our products and services, technology outcomes, and social engagement.
 SDG 4: quality education	• Chapter 6: Engaging with our Society	• Education outcomes are shown throughout our social engagement, especially in empowering youth.
 SDG 5: gender equality	• Chapter 5: Managing our Human Capital • Chapter 6: Engaging with Society	• Boubyan aims to increase female representation in the workforce and especially in upper management. • There are also female empowerment elements within our social engagement.
 SDG 6: clean water and sanitation	• Chapter 8: Assessing Our Environmental Impact	• Water consumption aspects are reported.
 SDG 7: affordable and clean energy	• Chapter 8: Assessing Our Environmental Impact	• Energy consumption aspects are reported.
 SDG 8: decent work and economic growth	• Chapter 3: Sound Governance • Chapter 4: Sustainable Marketplace Experience • Chapter 5: Managing our Human Capital	• Workplace and economic aspects are reported.
 SDG 9: industry, innovation and infrastructure	• Chapter 4: Sustainable Marketplace Experience • Chapter 7: Impacting through Innovation & Digitization	• These elements are reported throughout our products and services, as well as our digitization and innovation developments.
 SDG 10: reduced inequalities	• Chapter 5: Managing our Human Capital	• We report on diversity aspects, especially related to equal opportunity and non-discrimination for age and gender.
 SDG 11: sustainable cities and communities	• Chapter 6: Engaging our Society	• We report on various social engagements aimed at sustainability in the community.
 SDG 12: responsible consumption and production	• Chapter 4: Sustainable Marketplace Experience • Chapter 7: Impacting through Innovation & Digitization • Chapter 8: Setting our Environmental Impact	• We report on efficiency and resource management aspects in general, as well as specifically related to our digitization initiatives. • Boubyan aims to inform the client on responsible lending through specific initiatives and aims to introduce a Plastic-Free Kuwait initiative for the betterment of the environment.
 SDG 13: climate action	• Chapter 7: Impacting through Innovation & Digitization • Chapter 8: Assessing Our Environmental Impact	• Climate-related aspects are reported in relation to our operations, as well as specifically in relation to our technology element.
 SDG 16: peace, justice, and strong institutions	• Chapter 3: Sound Governance	• These elements are conveyed through our compliance with regulatory authorities and standards, as well as internally through our various governance aspects.
 SDG 17: partnerships for the goals	• Chapter 6: Engaging our Society • Chapter 7: Impacting through Innovation & Digitization	• Various information about our partnerships is disclosed, specifically for innovative projects or for social engagement.

Environmental, Social, and Governance (ESG) Factors

The report and its content are aligned to various criteria and KPIs derived from a number of ESG factors. Namely, the report sequence, content, integration, focus areas, and other qualitative and quantitative indicators assessed are strongly linked to existing criteria and KPIs used by ESG factors to assess organizations' sustainability / ESG performance.

Boubyan's measurement, evaluation, and reporting of these respective KPIs are displayed throughout the report, but Figure 2.3d provides a sense of alignment between the report sections and the ESG areas that overarch different ESG criteria. In addition, further emphasis on the connection between ESG elements is provided throughout the report, as each chapter displays the relevant material topics with their associated ESG areas.

Figure 2.3d: ESG Area Report Alignment

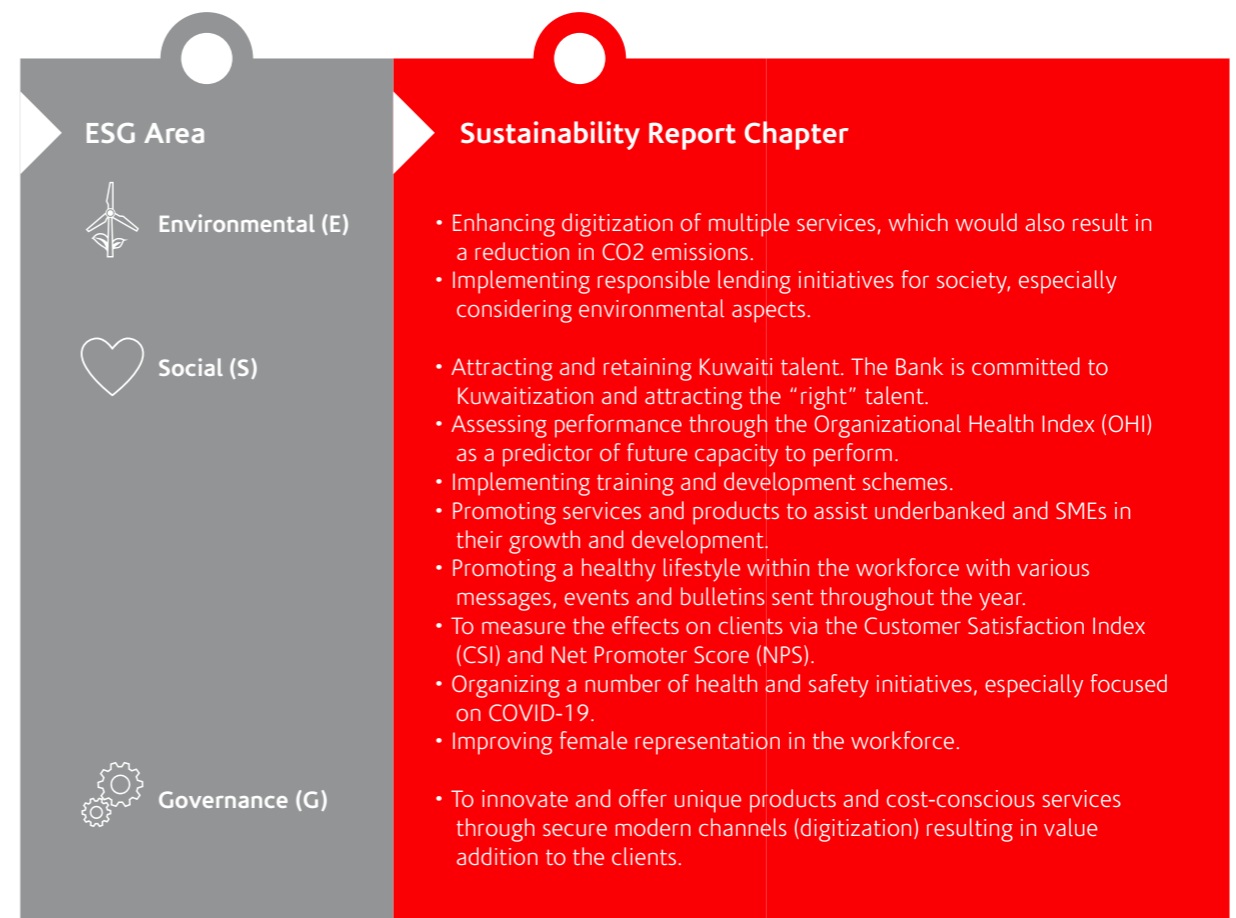


Sustainability / ESG Elements in Boubyan Strategy

Boubyan has articulated a set of sustainability / ESG elements that are related to Boubyan's overall strategy, noting that no specifically written sustainability / ESG strategy for Boubyan currently exists. The sustainability / ESG elements embedded within Boubyan's

strategy cover the 4 key sustainability / ESG dimensions—namely environment, community, workplace, and marketplace. Even though this is the first baseline sustainability / ESG report, elements are already integrated within Boubyan's strategy at many levels and areas, and these are listed in Figure 2.3e.

Figure 2.3e: Sustainability / ESG Elements Integration

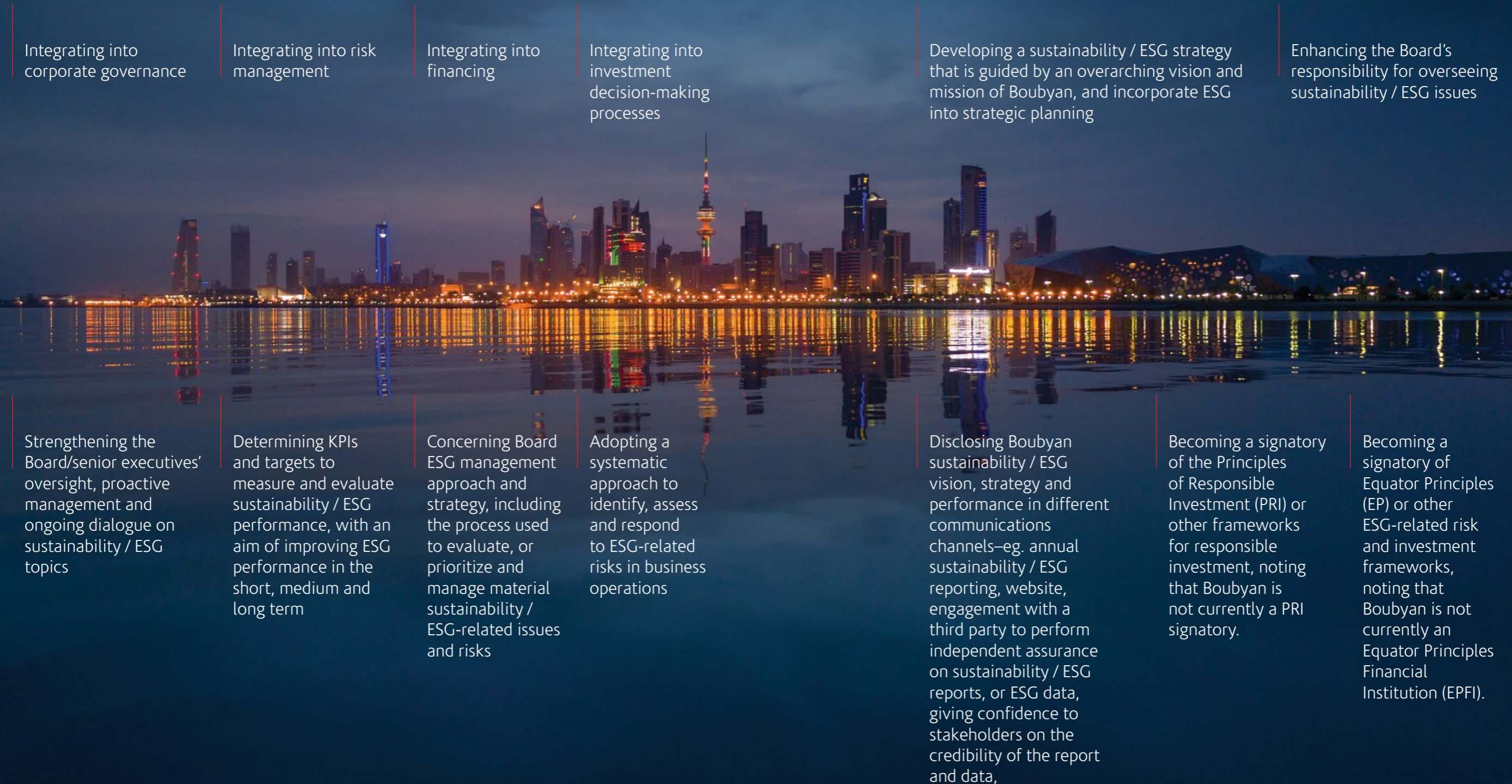


Boubyan's Visionary Approach Towards Sustainability / ESG

Boubyan has set out a visionary approach that aims at following and improving on a range of sustainability / ESG areas. This approach and the areas aiming to be achieved are listed in Figure 2.3f below. This visionary approach

is articulated in alignment with our current strategy and vision, to enable the plan to reach a good level of integration of these elements in the future.

Figure 2.3f: Boubyan's Visionary Approach



Case Study

The Adaptation of Strategy During COVID-19 Crisis

Overview:

As economies suffer and markets crash as a result of the unexpected pandemic that has raged across the whole world, it would be understandable if set strategies and plans that were predetermined at the beginning of the year were disrupted. The COVID-19 crisis has introduced numerous complications in our everyday lives, let alone in business cycles and corporate regimes, which are some of the most affected by the global pandemic.

Despite these challenges, Boubyan has reacted in a different way, as Boubyan has sought to face these challenges with determination and vigor. With allocated resources, leeway was created in terms of pursuing our aspirations and set strategies. Thus, upper management created a program to initiate this movement towards growth, in what was called the "Acceleration Program."

The Program contains 15 chosen strategic initiatives, all with set timelines of impact and strategic relevance. Accordingly, Boubyan initiated its implementation after the Board's approval in August 2020.

Objective:

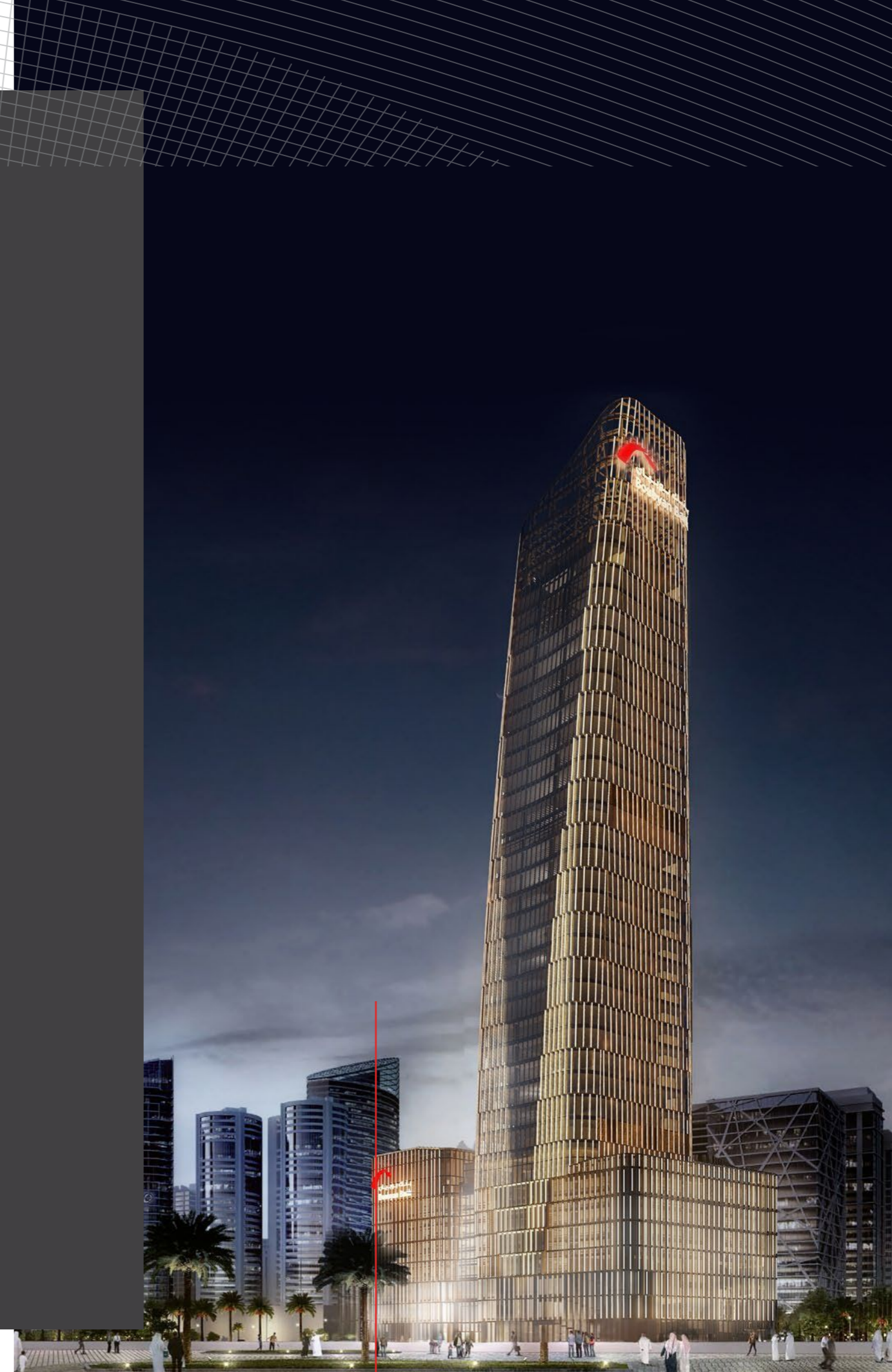
The "Acceleration Program" focuses on being proactive to achieve Boubyan's aspirations, as the plan was set in accordance with the following objectives and principles:

- A. Prioritizing initiatives that have a time-frame of impact between 12-18 months.
- B. Focus on using existing internal resources when possible, and adopting an efficient working methodology.
- C. Decrease risk profile by increasing budgetary responsibility and awareness, while minimizing short-term cost.
- D. Focus on initiatives that have key strategic relevance, like market share growth, or acceleration of alternative profit sources.

Outcomes:

At the present time, the Acceleration Program has had a few months of implementation (August to December 2020). However, the program has energized Boubyan and our employees to not rest on our laurels and accept the effects the pandemic has had on our jobs and everyday lives. Instead, the Program made sure that the goals that were set for the year have not changed, and are expected to be completed in time. The Program has also shifted the allocation of the budget to the most important and selected programs under this initiative.

Boubyan was proactive in its approach, and sought for growth and continued success to ensure that its clients were provided with services that exhibited excellence and professionalism, whatever the circumstances.





3 | Sound Governance

Governance is a cornerstone of sustainability reporting, being attributable to many aspects of ESG, and touching on all 4 of the sustainability / ESG dimensions (MEWC)—notably through the way that organizations govern their performance in these dimensions. Governance elements are also found in national and international sustainability / ESG frameworks and drivers. In this regard, Boubyan recognizes that governance plays a major role in sustainability, which is a “Gene and Core Value” for us.

We are consistently assessing, improving, and communicating our governance aspects with stakeholders, as the main governance areas reported include: our Board of Directors, Sharia’a Supervisory Board, executive management, organizational chart, risk management and business resilience, and our compliance. Specifically, through engagement with our stakeholders, we have derived 2 material topics related to governance.

SUSTAINABLE DEVELOPMENT GOALS



Decent Work and Economic Growth



Peace, Justice, and Strong Institutions

3.1 Board of Directors

(102-18, 102-20, 102-22, 102-23, 102-24, 102-25, 102-26, 102-27, 102-28, 102-32)

Information about our Board of Directors is important to be disclosed in the sustainability / ESG domain, especially as the Board is a vital part of any organization's governance function. Therefore, transparency in this area is beneficial, namely for details regarding board members and a range of other disclosures of indicators related to the Board. More information about our Board of Directors is given in this section.

Board Members

Overarching our corporate governance is our Board of Directors, which is tasked with the top-management of Boubyan to lead it strategically. The Board, along with the support of its committees, reviews and approves all of Boubyan's policies, authority matrices, and frameworks. The Directors are under a mandate to deliver sustainable value to all stakeholders, including depositors, customers, shareholders, employees, society, and others. The Board conducts these matters from a strategic level, while other detailed documentations and procedures are delegated to Boubyan's executive management. The Board is granted the highest authority and overall responsibility by the shareholders to manage Boubyan, and the Board operates in line with the by-laws of Boubyan and its charter, where its scope of work includes, but is not limited to:

- Setting the strategies and risk appetite for Boubyan
- Approving capital and operating plans presented by management for the achievement of Boubyan's strategic objectives
- Ensuring efficient application of the resources for the achievement of the objectives
- Monitoring the performance of executive management

Transparency concerning any entity's Board of Directors is key in ESG disclosures; accordingly, the following illustrates details concerning Boubyan Bank's Board, including Board member names, position, year of joining, skills and experience, other current posts, gender, and attendance rate. Note that attendance rate is

provided pertaining to the period of January 1, 2020 to December 31, 2020.

Boubyan Bank BoD Abdulaziz Abdullah Dakheel Al-Shaya

Chairman
Year of joining: 2009
Attendance Rate 2020: 100%

Skills and Experience:

Mr. Al-Shaya is a well-known businessman with more than 42 years of experience in trading and real estate sectors; he manages a trading company in Kuwait. Mr. Al-Shaya holds a bachelor's degree in Economics from Kuwait University.

Other current posts:

- Vice Chairman – Awtad Real Estate Company, KSCC (Kuwait)
- Vice Chairman – Orient Education Services Company, KSCC (Kuwait)
- Vice Chairman of Trustees – Algonquin College (Kuwait)

Adel Abdul Wahab Al-Majed

Vice-Chairman & Group Chief Executive Officer (Executive)
Year of joining: 2010
Attendance Rate 2020: 96%

Skills and Experience:

Mr. Al-Majed joined Boubyan Bank in August 2009, and has around 40 years of banking experience. He worked previously at the National Bank of Kuwait (NBK) for more than 25 years, where he held leadership positions, including Deputy Chief Executive Officer and General Manager - Consumer Banking Group. Mr. Al-Majed graduated from the University of Alexandria with a bachelor's degree in accounting, and attended various executive management development programs at various universities, including Harvard, Wharton, Stanford, and other reputable institutions.

Other current posts:

- Chairman - Bank London & Middle East (UK)

Adnan Abdullah Al-Othman

Director (Non-Executive)
Year of joining: 2016
Attendance Rate 2020: 95%

Skills and Experience:

Mr. Al-Othman is a well-known businessman with more than 42 years of experience in banking and real estate sectors; he owns a real estate company. Mr. Al-Othman holds a bachelor's degree in Industrial Engineering from Syracuse University - USA.

Other current posts:

- Member of the Trustees of the Estate of the Late Abdullah Abdulatif Al-Othman (Kuwait).
- Member of the Executive Committee for the Implementation of the Charity Projects of the Late Abdullah Abdulatif Al-Othman (Kuwait)

Fahad Ahmad Al-Fouzan

Director (Non-Executive)
Year of joining: 2020
Attendance Rate 2020: 100%

Skills and Experience:

Mr. Al-Fouzan is a businessman with more than 36 years of experience, including 30 years of experience in banking sector, where he worked in various leadership positions. He manages a contracting company in Kuwait. Mr. Al-Fouzan holds a bachelor's degree in Accounting from Kuwait University.

Hazim Ali Al-Mutairi

Director (Non-Executive)
Year of joining: 2010
Attendance Rate 2020: 78%

Skills and Experience:

Mr. Al-Mutairi has a well-diversified experience for more than 28 years in the fields of financing, investment, and banking. He is currently the CEO of Holding Company. He graduated from the United States of America with a bachelor's degree in Finance.

Other current posts:

- Board Director – Warba Insurance Company, KPSC (Kuwait)
- Board Director – Idafa Holding Company, KSCC (Kuwait)

Mohamed Yousef Al-Saqer

Director (Non-Executive)
Year of joining: 2019
Attendance Rate 2020: 100%

Skills and Experience:

Mr. Al-Saqer is a well-known businessman with more than 32 years of experience in business; he is the managing partner of two trading companies in Kuwait. Mr. Al-Saqer holds a bachelor's degree in Public Administration from Point Park University - USA.

Waleed Mishari Al-Hamad

Director (Non-Executive)
Year of joining: 2010
Attendance Rate 2020: 96%

Skills and Experience:

Mr. Al-Hamad has more than 30 years of experience, including 11 years in banking and the remaining in the investment sector; he is the Managing Director of a holding company in Kuwait. Mr. Al-Hamad possesses a bachelor's degree in Economics, and a master's degree in Finance from the United States of America.

Other current posts:

- Board Director and CEO – Helvetia Arab Holding Company, KSCC (Kuwait)

Waleed Ibrahim Al-Asfour

Director (Non-Executive)
Year of joining: 2019
Attendance Rate 2020: 100%

Skills and Experience:

Mr. Al-Asfour possesses more than 36 years of experience in real estate and financial sectors. He manages a real estate company and an investment company in Kuwait. Mr. Al-Asfour graduated from Kuwait University with a bachelor's degree in Business Administration - Finance.

Other current posts:

- Vice Chairman – Al-Wodouh Capital Holding Company, KSCC (Kuwait)
- Board Director – Shorooq for Medical Services Company, KSCC (Kuwait)
- Managing Partner - Market Plus Real Estate (Kuwait)

Waleed Abdullah Al-Houti

Director (Non-Executive)
Year of joining: 2019
Attendance Rate 2020: 100%

Skills and Experience:

Mr. Al-Houti possesses around than 40 years of experience in financial and oil sectors. He is currently a Chairman of Kuwaiti shareholding company, which invests in petroleum services. Mr. Al-Houti graduated from Kuwait University with a bachelor's degree in Business Administration - Finance.

Other current posts:

- Chairman – Al-Dorra for Petroleum Services Company, KSCC (Kuwait)
- Vice -Chairman – Makamen for Oil and Gas Services Company (Saudi Arabia)

While the aforementioned Board of Directors (BoD) details pertain to Boubyan Bank, each of the other entities within Boubyan have their own BoD members and structures. These are as follows:

Boubyan Capital's BoD consists of:

- Chairman:
Abdulsalam Mohammed Al-Saleh
- Vice-Chairman:
Abdullah Abdulkareem Al-Tuwaijri
- Directors:
Abdullah Ahmed Al-Mehri
Mohamed Ibrahim Ismail
Ghazi Saleh Al-Babtain

Boubyan Takaful's BoD consists of:

- Chairman:
Abdullah Al-Najran Al-Tuwaijri
- Vice-Chairman:
Waleed Khalid Al-Yaqout
- Board Member:
Khalil Al Shami
Abdul-Salam Mohammed Al-Saleh
Ahmed Bouresli
Mohamad Ibrahim Ismail
Jabra Raja Ghandour

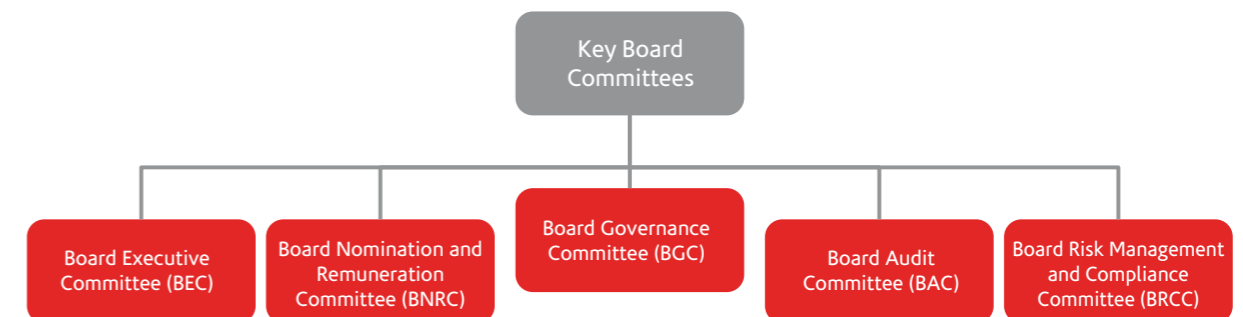
BLME's BoD consists of:

- Chairman:
Adel Abdul Wahab Al-Majed
- Deputy Chairman and Senior Independent Director:
Michael Williams
- Chair of the Nominations and Remuneration Committee:
Joanne Hindle
- Chairman of the Audit Committee
Calum Thomson
- Chairman of the Risk Committee
David Williams
- Non-Executive Directors:
Jabra Raja Ghandour
Bader Abdullah Al Kandari
Maged Fanous
Abdul-Salam Mohammed Al-Saleh
- Chief Executive Officer:
Andrew Ball
- Chief Financial Officer (CFO) and Chief Operating Officer (COO):
Chris Power

Board Committees

Concerning the Board committees, these are provided below, noting that they pertain to Boubyan Bank and its BoD. These consist of

5 Board committees in charge of governing different areas of business, which are listed in as follows along with the explained role of each one.



Board Executive Committee (BEC)

The BEC comprises 4 Board Directors, and is headed by the Vice-Chairman & CEO. The members of the BEC are not members of the Board Audit Committee or Board Risk and Compliance Committee; and they possess collective experience in banking, credit

financing, business, and real estate. As per the charter of the BEC, the Committee should meet at least 6 times a year. The main role of the BEC is to review and approve limits and transactions related to financing and investment activities as set within the authority matrices of Boubyan. The BEC also reviews related policies such as financing policies.

Board Nomination and Remuneration Committee (BNRC)

The BNRC comprises 4 Board Directors; the members of the BNRC have collective experience in banking, business, and Islamic Sharia'a. As per the charter of the BNRC, the Committee should meet at least 4 times a year. The main role of the BNRC includes assessing the nominees for the Board based on set criteria, administering the assessment of the Board, revising the Remuneration Policy and the assessment of executive management performance, and ensuring the presence of a proper employee succession plan.

Board Governance Committee (BGC)

The BGC comprises 4 Board Directors; the Chairman is the chairperson of the BGC, whose members have collective experience in banking, business, and governance. The Committee should meet at least twice a year. The main role of the BGC includes developing and updating the Governance Manual, ensuring that the Governance Manual is adequately followed, reviewing the annual governance report, and following-up on governance-related recommendations/actions.

Board Audit Committee (BAC)

The BAC comprises 3 Board Directors, whose members have collective experience in banking, business, governance, and audit. None of the BAC members is a member of the Board Executive Committee. The BAC should meet at least on a quarterly basis, and its main role includes:

- Reviewing internal audit charter and manual, and accounting policies
- Assessing and recommending appointment of external auditors
- Reviewing quarterly financial statements
- Discussing the internal Sharia'a audit reports
- Approving internal audit plan, discussing internal audit reports, and following-up on

the status of corrective actions

- Providing support to the Internal Audit Group to ensure it fulfills its scope of work effectively and independently
- Approving the appointment and/or resignation of the Chief Audit Executive – Internal Audit Group, and assessing his/her annual performance

Board Risk Management and Compliance Committee (BRCC)

The BRCC comprises 3 Board Directors, and none of its members is a member of the Board Executive Committee. As per its charter, the BRCC meets at least 4 times a year, and reports on its activities to the Board on a periodic basis. The role of the BRCC includes:

- Assessing the Risk Appetite measures, Risk Strategy, and other risk related measures, and proposing recommendations to the Board
- Reviewing and discussing the reports of the Risk Management Group, including the Capital Adequacy Ratio, Internal Capital Adequacy Assessment Process (ICAAP), Stress Testing, and other risk assessment reports
- Providing support to the Risk Management Group to ensure it fulfills its scope of work effectively and independently
- Approving the appointment and/or resignation of the Chief Risk Officer – Risk Management Group, and assessing his/her annual performance

Board Disclosures

As part of ESG disclosures, there are various Board-related KPIs that are often reported transparently. Accordingly, Figure 3.1a reports how Boubyan fares against each of the selected Board KPIs.

Figure 3.1a: Boubyan Board of Director Disclosures

Board / Governance KPIs	Boubyan Performance Disclosures	BLME Performance Disclosures
1 Female members percentage of the Board of Directors	0% female percentage	9% female percentage
2 Existence of a policy addressing Board size	There is a policy addressing Board size, as approved by the shareholder general assembly.	There is a policy addressing Board size, though it is a maximum of 11 members, as stipulated by BLME's Articles of Association.
3 The maximum number of years a Board member can be on the Board	There are no specific number of years for executive and non-executive Board directors. However, as per Central Bank of Kuwait (CBK) requirements, an independent Board member cannot be appointed for more than 2 periods (normally 3 years per period).	There are also no maximum number of years specified, but there is a rebuttable presumption of 9 years for independent Board directors. Note that an independent non-executive director (INED) can have a tenure extended beyond 9 years if his/her continued independence can be demonstrated and is accepted by the Board of Directors.
4 Number of times the Board of Directors meets per year	The Board meets an average of 10 times per annum. As per the laws and Boubyan's by-laws, the Board should meet at least 6 times per year, including quarterly meetings.	The Board meets an average of 6 to 10 times per annum.
5 Attendance percentage of Board Committee meetings	Attendance is disclosed per Board member, as earlier mentioned. However, attendance percentage is not reported per Board committee as it is not a mandatory requirement.	Board committee attendance for 2020 are as follows: <ul style="list-style-type: none"> • Nominations and Remuneration Committee: 98% • Audit Committee: 100% • Risk Committee: 98%
6 Criteria used for nominating or selecting the Chairman and Board members	There are criteria used in Boubyan. These criteria have been discussed by the Board Nominations and Remuneration Committee (BNRC), and approved by the Board.	There are criteria used by BLME's Board Nominations and Remuneration Committee (BNRC), where the committee makes recommendations to the Board on the appointment of any new Directors to the Board. The BNRC oversees the appointment process, prepares a description of the role and capabilities required for the appointment, and considers the overall balance of the Board. The BNRC has the duty to ensure that any person nominated for election to the Board is fit and proper with the appropriate skills and experience for the post in accordance with the regulatory requirements and the principles of good corporate governance.
7 Evaluation of the Chairman and the Board of Directors	There is an assessment mechanism conducted to evaluate the Chairman and the Board of Directors, and the mechanism is approved by the BNRC.	The Chairman and the Board of the Directors are evaluated once every 3 years, where BLME uses an external consultant to independently evaluate Board performance. Additionally, BLME conducts annual self-evaluations of the Board committees through a combination of surveys and desk-based analyses of the annual work agenda achieved against each Committee's responsibilities. Furthermore, BLME's Compliance Department conducts an annual fit-and-proper assessment process of all senior BLME employees covered by the Senior Manager and Certification Regime (SMCR) of the UK Prudential Regulation Authority (PRA). This covers senior management functions (SMF) holders, certified persons, material risk takers, and all Board directors, including the Chairman.
8 Tax transparency compliance	Boubyan receives an annual anti-money laundering (AML) report, which addresses the tax reporting aspects, especially related to the Foreign Accounts Tax Compliance Act (FATCA) and the Common Reporting Standards (CRS). Also, the Board Risk and Compliance Committee (BRCC) reviews respective activity reports on a quarterly basis.	Board oversight of tax matters are discussed at the Board Audit Committee (BAC) level. Also, BLME has adopted the Code of Practice on Taxation for Banks by the UK Her Majesty's Revenue and Customers (HMRC).
9 Board succession planning	On an annual basis, the BNRC receives and discusses a succession plan update. In 2020, the succession plan was presented on November 25.	BLME's BNRC reviews Board succession planning on a regular basis
10 Disclosure of auditor fees	Boubyan does not publicly disclose auditor fees.	BLME publicly discloses all fees paid to the external auditor within its Annual Report and Financial Statements
11 Regular rotation of auditors / audit partners	Boubyan regularly rotates its auditors / audit partners.	BLME's Audit Committee reviews recommendation to the Board for the appointment or re-appointment of the external auditors. The audit partner is rotated at least every five years

3.2 Sharia'a Supervisory Board

(102-16, 102-20, 102-24, 102-26, 102-27)

Boubyan reports on its Sharia'a Supervisory Board, which highlights its adherence to Islamic principles throughout its business, products, and services. This principled approach to business is connected to sustainability / ESG, especially regarding the integration of ethics in economic / business aspects. More information about our Sharia'a governance through the Sharia'a Supervisory Board is presented in this section.

As Boubyan's practices are in line with Islamic Sharia'a, there is a Sharia'a Supervisory Board developed to ensure that the Sharia'a practices are adhered to. This Board is composed of 4 members, listed in Figure 3.2 as follows. Note that all members of the Sharia'a Supervisory Board are independent (100%). In addition, each of the other Boubyan subsidiaries have their own Sharia'a Committees, consisting of 3 members in each Sharia'a Committee.

Figure 3.2: Boubyan Sharia'a Supervisory Board Members

Member	Position	Independence Status
Sheikh Dr. Abdulaziz Al-Qasar	Chairman	Independent
Sheikh Dr. Esame Al-Enezi	Reporter	Independent
Sheikh Dr. Mohammed Al-Fuzaie	Member	Independent
Sheikh Dr. Ali Al-Rashid	Member	Independent

3.3 Executive Management

(102-20)

Reporting on our executive management is another facet of sustainability, due to the executive management's various roles in Boubyan's governance. More information about our executive management is presented in this section. Through executive managers and management committees, the executive management has a more operational role in

managing Boubyan's business units compared to the Board of Directors. Figure 3.3 lists the executive management members, displaying the name, position, and biography—with a total of 14 executive managers. Concerning the gender allocation, this is allocated among 1 female and 13 males, resulting in 7% female executive management rate.

Figure 3.3: Boubyan Executive Management

Member	Position
Adel Abdul Wahab Al-Majed	Vice-Chairman & Group Chief Executive Officer
Abdullah Abdulkareem Al-Tuwaijri	Position to CEO – Private, Consumer & Digital Banking
Abdul-Salam Mohammed Al-Saleh	Position to CEO – Corporate Banking & Treasury
Waleed Khalid Al-Yaquot	Group General Manager Administration Group
Adel Abdullah Al Hammad	Group General Manager – Human Resources Group
Abdullah Ahmed Al-Mehri	Chief Operating Officer
Ashraf Abdullah Sewilam	Group General Manager – Corporate Banking Group
Abdul Rahman Hamza Mansour	Chief Internal Auditor – Internal Audit Group
Mohamed Ibrahim Ismail	Group General Manager – Financial Control Group
Maged Fanous	Chief Risk Officer – Risk Management Group
Noora Sulaiman Al-Fassam	Chief Strategy Officer
Adel Rashed Al-Mutairi	Treasurer – Treasury Group
Jabra Raja Ghandour	Chief Executive Officer – Boubyan Capital

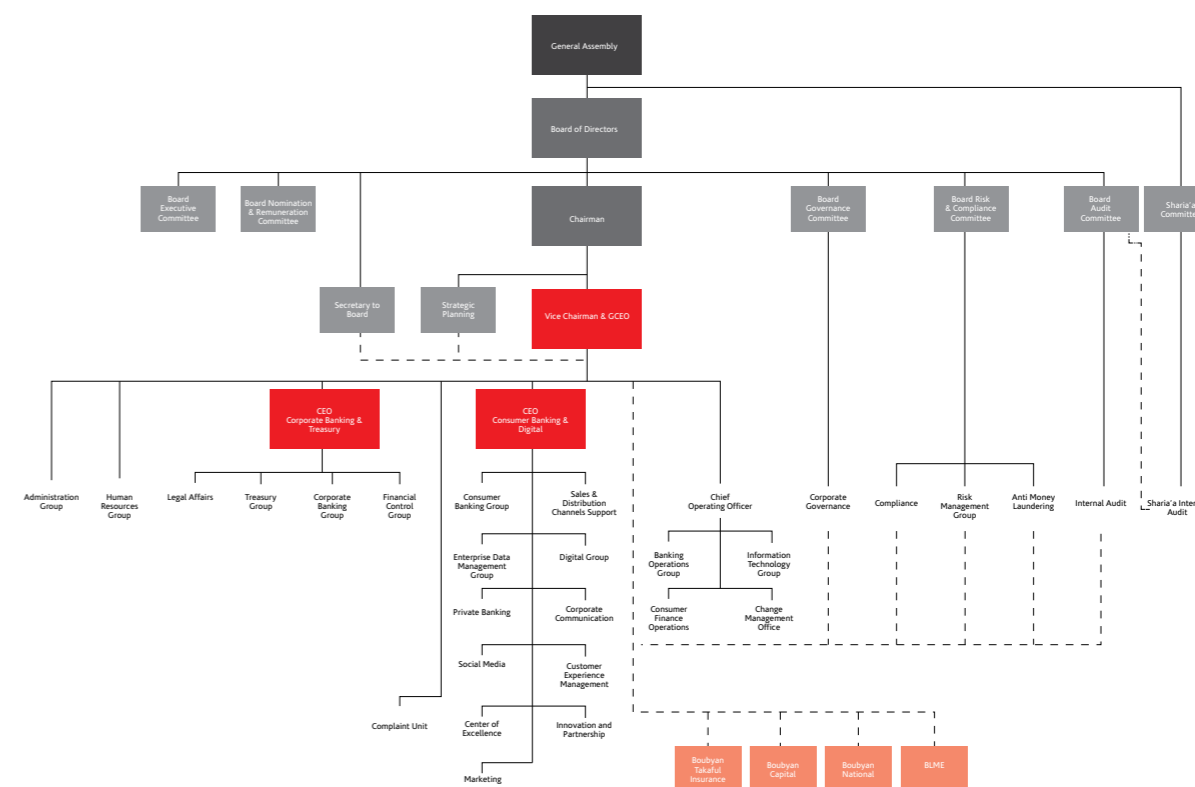
3.4 Organizational Chart

(102-7, 102-18)

Reporting on the organizational chart is an important part of sustainability, since it shows how an organization's governance is structured, with coordination among the different members and bodies. More information about our

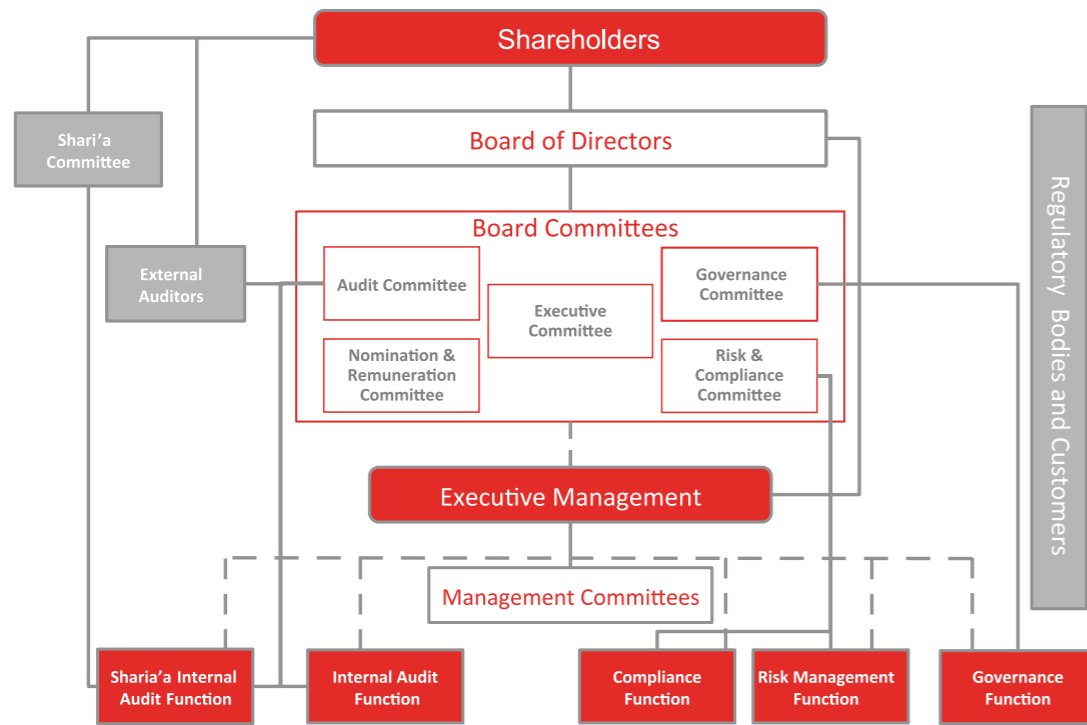
organization chart is provided in this section. We disclose both our organizational chart and the governance framework in this section. Boubyan's organizational chart is illustrated in Figure 3.4.

Figure 3.4: Boubyan's Organizational Chart *



*Note: Boubyan Bank Group lost its Chairman – Mr. Mahmoud Yousef Al-Fulajj (may Allah have mercy on him), who was among the leading supporters for the remarkable turnaround of Boubyan since the preparation of the first five year plan in year 2010.

Boubyan Governance Framework



3.5 Risk Management and Business Resilience

(102-11, 102-15, 102-29, 102-30, 103-1, 103-2, 207-2, 308-1)

Boubyan recognizes that proper and proactive risk management practices are essential to ensuring a sustainable and resilient business operating model. This has especially proven to hold true this year, as Boubyan was able to effectively navigate and overcome the various risks and challenges introduced by the COVID-19 pandemic. The resulting impacts of our risk management and business resilience practices are presented in this section.

At Boubyan, the highest authority for reviewing the effectiveness of risk management is the Board of Directors. The Board Risk and Compliance Committee (BRCC) then handles the detailed follow-up and transitional review activities. This branches down to 3 other departments that take a more operational approach towards risk management and business resilience, as illustrated in Figure 3.5a as follows.

Figure 3.5a: Boubyan Risk Management Bodies



In addition, various sustainability issues are considered throughout business continuity management. The clearest aspects of this can be found in the approach towards COVID-19, where matters of health, safety, stakeholder care, workplace enhancement, transparency, and others were especially embraced. Moreover, environmental hazards are considered as part of the business continuity planning and disaster recovery plans.

Three Lines of Defense Model

Boubyan is utilizing the Three Lines of Defense Model for effective management of risks and controls. This model is distinguished among three groups as illustrated below:

- First line of defense – Boubyan IT & Business functions that own and manage risks daily.
- Second line of defense – Boubyan Risk Management function that oversees and monitors risks.
- Third line of defense – Boubyan Internal Audit function for independent assurance.

Risk Strategies

Boubyan's risk strategy is composed of a number of strategies pertaining to different areas and business units, which include: business continuity management (BCM), Technology Risk Department (TRD), Information Security Department (ISD), operations, fraud, and BLME. Each of these, in accordance with their risk aspects, are described in more detail below.

1. Business Continuity Management (BCM)

Boubyan has developed an overall BCM Strategy. This strategy ensures resilience, continuity, and availability of its mission-critical and essential products, services and operations. In addition, the BCM Strategy supports efficiency in recovery efforts to achieve overall recovery objectives—ie. through disaster recovery (DR) and alternative sites. Boubyan's BCM strategy's main objective is to ensure appropriate business continuity plans are in place, which contain specific actions and steps that need to be executed by nominated teams or individuals upon the occurrence of any disruption event. The scope of the BCM Strategy includes, among others, buildings, facilities, Information Communication Technology (ICT), information security, vital records, manpower, vendors, suppliers, third-parties, utilities, health and safety and security of people. BCM especially considers the case of any outages or shortages. Boubyan's BCM strategy determines the set of options to be used to recover processes in their required time-frames, cost, level of confidence and effects. It also ensures that an appropriate emergency and crisis response structure is built, which will enable an effective response and recovery from disruptions.

In addition, the BCM strategy aims to reduce negative impacts that may arise from disruptive incidents, promote and embed continuity and resilience awareness in Boubyan's culture, and comply with regulatory requirements

2. Technology Risk Department (TRD)

The Technology Risk Department's strategy is built around the overall risk strategy of Boubyan, aiming to realize the benefits at an optimal cost while optimizing risk management. The strategy is aligned with Boubyan's vision, mission and objectives of being customer focused, technology driven, agile and innovative regarding the needs of Boubyan customers who are dependent on digital banking services, given their speed, convenience and ease of use.

Furthermore, Boubyan's strategy is directed toward deploying more advanced technologies and online systems, including internet banking systems, mobile banking payment systems, online trading platforms, and portals, in order to reach customers. In this regard, Boubyan fully understands the magnitude and intensity of technology risks from these digital and technology enabled-business services.

In addition, Boubyan is mandated to put in place adequate measures and robust operating processes to manage these risks in line with Boubyan's risk appetite, risk tolerance, and regulatory and compliance requirements. The Technology Risk Management strategy for business practices covers the review of operational and manual business processes, as well as their improvements and digitization initiatives. These initiatives encompass, but are not limited to, Robotic Process Automation (RPA) and Robotic Desktop Automation (RDA), near field communication (NFC), card-less payments, contactless and wearable payments, mobile banking, and online banking. Also as part of the technology risk assessment, attention is given to the customer experience and special needs customers when publishing new online and other services.

3. Information Security Department (ISD)

The Information Security Department's risk strategy articulates Boubyan's plan to reduce risk and promote resilience in its own operations and financial system.

4. Operational Risk Management Department (ORM)

Boubyan implements an operational risk management framework for the Operational Risk Management Department (ORM). The framework sets out the Group-level governance, policies and procedures to proactively identify, measure, report, mitigate and control operational risk exposures associated with the businesses and operations at all levels of Boubyan.

5. Fraud Risk Management Department (FRMD)

Boubyan is committed to implementing controls for detection and prevention of fraud, bribery, and corruption. If internal fraud is identified, appropriate action would be taken in line with internal disciplinary policies of Human Resources (HR) and the laws of Kuwait. On the other hand, external fraud is to be dealt with on a case-by-case basis after conducting proper investigation by Risk Management, Internal Audit, Legal and Human Resource Group (HRG), where applicable. Legal action and insurance claims are subsequent actions based on recommendations of the relevant assurance providers.

For BLME, the Risk Management Framework (RMF) provides the foundation for ensuring that business risk-taking activity is consistent with BLME's risk appetite, and that BLME delivers good service and good outcomes for customers from its products. The RMF establishes an appropriate balance between risks and reward, while also ensuring robust controls and management of risk. The method of managing risk begins with the definition of the Risk Appetite, which, when combined with BLME strategy, articulates its willingness to be exposed to risk events and losses.

Effectiveness of Risk Strategy in COVID-19 Resilience

Though this report is considered the first/ baseline sustainability ESG report, it is a strong case study for Boubyan and all related concerned stakeholders, which shows how the business model and risk strategy is in place. This includes the BCM, which was adequate, effective, and dynamic enough to ensure resilience throughout the effects of the global COVID-19 pandemic. As a number of ESG factors emphasize resilience and risk strategies, Boubyan considered the advanced measurements and compliance with such ESG factors, which would ensure sustainable value for all stakeholders, including customers, investors, shareholders, employees, and others. In this regard, Boubyan has quickly executed its business continuity plan to secure a smooth transition for all functions to perform its tasks in an efficient manner with the lowest chances of operational losses. Boubyan continues to provide full services for its various customers ranging from retail customers and SMEs to large corporates. Boubyan has conducted a detailed assessment of the evolving risks due to the COVID-19 crisis. Below is some information about how BCM was applied to the specific business units:

1. Consumer Banking:

Since the partial curfew, Boubyan has been serving its clients through its retail branches network, call center, ATMs, and digital channels (eg. retail app, WhatsApp, Internet Banking, Digital Assistant). Boubyan continues to provide its service under a full curfew through its non-physical channels.

2. Corporate Banking:

Boubyan has ensured full continuity for the services provided to its Corporate Banking clients. All necessary tasks continue to be performed by the Business, Credit Risk Review, and Corporate Operations including all

necessary committee meetings. The tasks are being conducted either remotely or through on-sitework in the office.

3. Economic Support & Relief Package:

The Banking sector is an important player in the successful execution of the economic support package, and Boubyan has taken the necessary steps to ensure that an online portal has already been set up to accept financing applications. Clear processes and documentation have already been put in place to ensure a swift processing of the applications through all credit approval channels with a fully special dedicated team to handle SME applications, including the current teams that handle corporate banking for large enterprises.

We have invoked our emergency business continuity plan across Boubyan to eliminate any operational disruption that might occur based on ensured availability of remote access to key functions, including staff identification of critical staff and their backups. Accordingly, we have ensured availability and readiness of the BCP site for the vital mission-critical functions, and ensured business continuity during the current situation and in case of full lockdown. Business continuity has especially been applicable and explained in the following areas:

1. Cyber Security & Financial Ethics

Due to the migration to a virtualized environment and remote operating process, which is leading to an emerging and tangible risk, we have enhanced our 24/7 monitoring capabilities regarding user activities via our Systems and Organizational Controls (SOC) team and are introducing tighter controls over the access of all endpoints. Moreover, we are monitoring all cards, merchant acquiring and digital channels' transactions 24/7 for fraud management.

2. Operational Risk:

There was a quick move towards remote working and virtual processing. Such moves would usually expose any business to higher error risk and operational losses. Accordingly, Boubyan has implemented methodical controls and pressure to reduce such risks.

3. People Risk:

Boubyan has ensured quarantine requirements satisfaction with all its staff since the beginning of the crisis in March 2020. Boubyan has taken the necessary precautions by providing personal protection equipment (facemasks, gloves and sanitizers), as well as stopping all physical meetings to minimize infection risk.

4. Credit Risk:

Boubyan conducted extensive continuous credit assessments of its wholesale, corporate financing, and sukuk portfolios since the onset of the crisis. The review was a bottom-up review of more than 90% of the bank's corporate financing book and all of its sukuk book, where the review included a continuous dialogue with the obligor, viability of the business model, the need for support, reasons for cash flows delays, if any, and ability and frame of recovery. The outcome of these reviews extended also to updating the internal rating and assessing its impact on Boubyan's cost of risk, when necessary.

Based on CBK's guidance, we had engaged in detailed discussion on deferrals driven by the above-mentioned assessments. The credit review was able to highlight the impact on different obligors, and was scaled-up also to assess the impact on industries, based on the potential impact on cash flows and business model. The obligors continue to be monitored and assessed by the Risk Management Group (RMG) on a regular basis, highlighting any major changes in the risk profile of any obligor

and the resulting impact on the management of the exposure. Boubyan did not categorize such COVID-19 related deferral requests as forbearance, with the vast majority remaining in Stage 1 under IFRS9, unless wider credit risk concerns had been identified.

5. Liquidity Risk

Boubyan did not face any liquidity squeezes starting from the onset of the COVID-19 crisis up to its peak during the full lockdown, and beyond that. This has been driven by the following 3 major points:

- Boubyan's pre-crisis pro-active liquidity management and sourcing of long-term funding.
- As the government continued to pay salaries and driven by (a) Boubyan's strong retail base, (b) limited venues of spending during the lockdown, (c) moratorium of financing instalments, Boubyan observed significant build-up in retail deposits and current and savings accounts' balances. The built-up of the retail deposits base has continued after the easing of the lockdown rules and has added sticky funding to Boubyan.
- Availability of institutional funding, especially from the Kuwait Investment Authority (KIA).

This has allowed Boubyan to be very agile to meet requirements to replace upcoming maturities or fund any new credit while maintaining its liquidity above that of the required liquidity regulatory ratios at all times with very comfortable levels of balances with the CBK.

6. Operational Resilience and Business Continuity

The COVID-19 pandemic and its associated social distancing and lockdown measures created certain operational limits and vulnerabilities. This was mitigated through Boubyan's technical infrastructure, which

was built over several years. This has enabled us to move within a few days to a virtual environment, where operations have moved forward smoothly and remotely across all its forums, including its credit underwriting operations, executive committees, and treasury and market operations. This has enabled Boubyan to continue delivering its products and services to all its stakeholders.

Furthermore, Boubyan took the necessary measures to enhance its cyber security shield through 24/7 monitoring of all network traffic. During that period, we did not experience any out-of-norm volume of instability or events. By 2020 Q3, Boubyan, based on government direction, had returned to 85% of capacity in terms of on-site employees while maintaining COVID-19 health protocols. This return to almost full capacity includes branches operating at full capacity to ensure smooth services to all of our customer base.

7. BLME-specific information

BLME successfully tested its ability to operate remotely ahead of the March 20 lockdown. Management meetings were held daily in the initial weeks of the first lockdown to ensure business continuity. The ability of working from home is further evidenced via the Operational Risk Committee and Executive Risk Committee, as the second line of defense function asked departments and business areas to inform these committees of emerging risks and issues.

Technology Risk

Looking specifically at certain areas of the Risk Strategy, Technology is one vital area that is assessed for risk. The Technology Risk Management model encompasses a systematic process of identifying, analyzing and responding to risk. This is broken down into a number of sub-processes that are used as the basis for the model; the process is iterative in nature. The following are the main sub-processes:

- Technology Risk identification
- Technology Risk Analysis
- Technology Risk Evaluation, and
- Technology Risk Treatment

Therefore, the Technology Risk Management process is a continuous cycle designed to minimize the negative impact on technology, which would eventually impact the business objectives.

Case Study

ISMS ISO 27001 Certificate



Overview:

International Standards Organization (ISO) 27001 standard is an information security management standard that provides organizations of any size and industry with a framework for securing and protecting confidential and sensitive data. The banking industry, in particular, can benefit much from an ISO 27001 certification. Accordingly, Boubyan has been successfully accredited with ISO 27001.

Objective

The objective of being accredited with this standard was meeting the 3 Security Goals, which are as follows:

1- Confidentiality

Protect the confidentiality of data.

2- Integrity:

Preserve the integrity of data.

3- Availability:

Promote the availability of data for authorized users.

Outcomes

ISO 27001 certification demonstrates that you have identified the risks, assessed the implications, and put in place systemized controls to limit any damage to the organisation. Boubyan has done these successfully. Other benefits that Boubyan would reap from this include:

- Increased reliability and security of systems and information
- Improved customer and business partner confidence

Operational Risk

Operational risk is assessed according to Boubyan's Operational Risk Management (ORM) Model. The Operational Risk Manager will primarily be responsible for implementing the ORM framework across Boubyan, in close coordination with the Risk Champions, the business and support departments of Boubyan. The Operational Risk Manager is mandated to:

- Assist the Chief Risk Officer (CRO) in the development of the ORM strategy and framework
 - Initiate the operational risk assessment database, coordinate with other departments in incorporating new identified risks into the database, update the operational loss database on a regular basis and present a periodic assessment report to the GM of Risk
 - Implement the ORM framework and strategy across Boubyan Bank
- Complete details of loss events reported by the Business/Support coordinators and submit loss events for approval and track them until they are concluded
 - Manage and maintain risk databases—eg. key risk indicators (KRI), risk and control self-assessment (RCSA), internal loss data, etc
 - Develop, review and monitor operational risk profiles and ensure that operational risk impact is incorporated in the risk profile on a continuous basis
 - Recommend corrective action where required
 - Generate reports and present them to the management for their review and consideration along with the suggestion for the corrective actions required where applicable
 - Stay informed of emerging best practices/regulations
 - Coordinate the Insurance function within ORMD



Procurement Risk

Boubyan conducts risk assessment focused on its procurement activities. These are explained per area below.

1. BCM

Boubyan's BCM periodically conducts risk assessment of key vendors / suppliers to ensure the level of current capabilities of business continuity readiness and availability in the event of business disruption to ensure Boubyan's mission critical products, services and operations will continue. We have established a business continuity program, strategy, and a risk register of identified internal and external threats to the resources (ie. people, premises, technology, infrastructure, information and data). We have dedicated people with capabilities trained and aware of their roles and responsibilities in case of business disruptive incidents to ensure that critical activities are recovered and resumed in a timely manner and we have alternate business continuity sites to sustain operations.

2. TRD

Boubyan abides by the Vendor Risk Management Framework (VRMF), which was established and approved Boubyan management on November 2020 to cover new and existing vendors and services suppliers. The framework and related assessments cover cyber security aspects, business continuity, and regulatory requirements. Also, the framework is under the oversight of the Risk Management Group, and is implemented mainly by the Information Security team and Business Continuity team in coordination with the IT and General Service Department. The assessment considers cyber and business continuity risk factors for vendors and suppliers, in addition to governance aspects, including policies, process, procedures and compliance. Also, there are social responsibility aspects in terms of awareness, staff training and development, and customer data protection.

3. ISD

Procurement risk is not directly relevant to information security, since information security is mainly an internal operational issue.

For BLME, there are a broad range of factors assessed, like physical security, network security, user training & awareness, backups, incident response plans, crisis management, site location, UK & international data protection laws, and ensuring adherence to UK's GDPR. There is appropriate use of BLME data, and review of the relevant policy, procedure and framework. In addition, financial ethics risk assessment focuses on a range of financial ethics factors, including anti-corruption and bribery (ABC) and the Modern Slavery Act. Note that these factors are reviewed annually, especially for material outsourcers.

Credit Risk and Credit Ratings

Credit risk is one area that Boubyan considers in both its financial decision-making (externally) and Boubyan's own credit risk (internally).

The Corporate Credit Risk Review Policy is firmly based on the fact that that Risk Management acts as a second line of defense in credit-sanctioning decisions. This is achieved through very thorough analysis of the credit risk, not only in the financing and market exposures of Boubyan, but also in Boubyan's various products and activities. This analysis is a major input into the various approving authorities within Boubyan. To assist in managing and understanding the risks in our financing activities, credit ratings are assigned to obligors to indicate the degree of credit risk inherent in the exposure. This is further complemented by an understanding and assessment of the credit risk mitigants provided, if any, and their true ability to reduce the bank's losses in cases of default.

Looking at Boubyan's own credit risk, in support of its approach to managing risk and business resilience, it takes into consideration third-party ratings that are provided to Boubyan. For

transparency, Boubyan reports its credit ratings from Standard & Poor's (S&P) in Figure 3.5b, Moody's in Figure 3.5c, and Fitch in Figure 3.5d.

Figure 3.5b: S&P Ratings

Board / Governance KPIs	To	From
Issuer Credit Rating	A-/Stable/--	A-/Stable/--
Stand-Alone Credit Profile	bbb	bbb
Anchor	bbb	bbb
Business Position	Adequate (0)	Adequate (0)
Capital and Earnings	Adequate (0)	Strong (+1)
Risk Position	Adequate (0)	Moderate (-1)
Funding and Liquidity	Average and Adequate (0)	Average and Adequate (0)
Support	+2	+2
GRE Support	0	0
Group Support	0	0
Sovereign Support	+2	+2
Additional Factors	0	0

Note: As of November 12, 2020

Figure 3.5c: Moody's Ratings

Category	Moody's Rating
BOUBYAN BANK K.S.C.P.	
Outlook	Stable
Counterparty Risk Rating	A2/P-1
Bank Deposits	A3/P-2
Baseline Credit Assessment	ba1
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	A2(cr)/P-1(cr)
PARENT: NATIONAL BANK OF KUWAIT S.A.K.P.	
Outlook	Stable
Counterparty Risk Rating	A1/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment Subordinate	A1(cr)/P-1(cr)
Subordinate -Dom Curr	Baa1 (hyb)
Commercial Paper	P-1
BOUBYAN TAKAFUL INSURANCE COMPANY K.S.C.	
Outlook	Stable
Insurance Financial Strength -Dom Curr	Baa2
BOUBYAN SUKUK LIMITED	
Bkd Sr Unsec MTN	P(A3)

Source: Moody's Investors Service

Note: as of December 16, 2020

Figure 3.5d: Fitch Ratings

Rating	
Foreign Currency	
Long-Term IDR	A+
Short-Term IDR	F1
Viability Rating	bbb-
Support Rating	1
Support Rating Floor	A+
Sovereign Risk	AA
Long-Term Foreign-Currency IDR	AA
Long-Term Local-Currency IDR	
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign and Local Currency IDR	Stable

Note: As of October 23, 2020

Risk Registers

Boubyan uses risk registers as important risk management tools. In the BCM, related risk registers were developed and maintained for areas that include: communications technology (ICT), information security, human resources, health and safety, procurement, and security. Other risk registers were also developed and maintained for technology risk, information security risk, operational risk, and fraud risk.

Risk Monitoring and Reporting

At Boubyan, there is periodic monitoring and reporting of the aforementioned risk areas, with different reporting frequencies per area. This frequency of reporting is provided in Figure 3.5e as follows. In addition, the Central Bank of Kuwait (CBK) is one of the regulators that Boubyan is transparent with, especially concerning the risk elements assessed. The same Figure 3.5e describes the CBK risk reporting per specific area as well.

Figure 3.5e: Reporting Frequency

Risk Area	General Risk Reporting	CBK Risk Reporting
BCM	<ul style="list-style-type: none"> • BCM issues a monthly risk profile 	<ul style="list-style-type: none"> • -
TRD	<ul style="list-style-type: none"> • Monthly reporting of risk profile and risk appetite monitoring. • Report on periodical basis to GM, Chief Risk Officer (CRO), and Risk committees, as well as to other senior management members across Boubyan, as advised by CRO and where applicable. 	<ul style="list-style-type: none"> • All communication with CBK and regulators is established through Boubyan's Compliance Department. Otherwise, there is no regular or direct reporting mandated for CBK.
ISD	<ul style="list-style-type: none"> • Monitoring is done 24 hours, 7 days a week, and 365 days per year. Reporting is done on a monthly basis. 	<ul style="list-style-type: none"> • -
ORM	<ul style="list-style-type: none"> • The Operational Risk Management Department provides monthly reporting through the Risk Profile Report 	<ul style="list-style-type: none"> • The Operational Risk does not submit reports directly to CBK. However, there is sometimes information provided to CBK upon their request.
Fraud	<ul style="list-style-type: none"> • Fraud Transaction monitoring for Cards, Acquiring (POS), and Digital Banking is conducted daily. 	<ul style="list-style-type: none"> • There is monthly reporting to the CBK, conducted through the Compliance Department.
Internal Capital Adequacy Assessment Process (ICAAP) reports	<ul style="list-style-type: none"> • For BLME, they have an annual Internal Capital Adequacy Assessment Process ('ICAAP') which is submitted to the Prudential Regulation Authority (PRA) on request. 	<ul style="list-style-type: none"> • Submitted to CBK.
Stress Test report	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Reported to CBK Semiannually (June and December).
International Financial Reporting Standards (IFRS) 9 report	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Reported on a quarterly basis (March, June, September, December), through the Finance Department.

For BLME, key liquidity metrics are reported daily. Capital and large exposure is reported on a weekly basis. All key risk indicators (KRIs) are monitored and reported to the Executive Risk Committee and Executive Committee every month, while reporting to the Board Risk Committee is done quarterly.

Risk Management Standards and Frameworks

Boubyan conducts risk management in accordance with widely recognised risk management standards and frameworks, including the International Standards Organization (ISO), Committee of Sponsoring Organizations of the Treadway Commission (COSO), and Basel Convention. The specific ones are listed per year as follows..

Risk Management Standards and Frameworks

1. BCM

Boubyan uses international standards and industry best practice guidelines in implementing and maintaining the business continuity planning program, as listed below:

- Business Continuity Management – ISO 22301:2019
- Business Operational Resilience – ISO 22316:2017
- Business Impact Analysis – ISO 22317:2015
- ISO 31000:2018 Risk Management Principles and Guidelines
- ISO 31010:2018 Risk Assessment Techniques
- ISO Management Systems, including the 7 Principles:
 - 1-Leadership
 - 2-People Engagement
 - 3-Process Approach
 - 4-Continual Improvement
 - 5-Evidence Based Decision Making
 - 6- Relationship Management
 - 7- Customer Focus
- Basel Committee on Banking Supervision
- BASEL III High-level 7 Principles for Business Continuity and High-level 7 principles for Business Operational Resilience.

2. TRD

The approach and techniques used in this Technology Risk Management Framework are customized to suit Boubyan's Technology Risk Management requirements. They are inferred from various leading risk management practices such as:

- COBIT 5 – COBIT for Risk, ISACA
- Risk IT – Risk for information technology, ISACA
- ISO31000:2018 – Risk Management principles, guidelines and Assessment Techniques
- PCI-DSS – Payment card industry data security standard

- ISO27001:2013 – Information security management system
- CSF – Cyber Security framework
- BASEL - Basel Committee on Banking Supervision
- COSO ERM – Enterprise Risk management framework, including the following elements:
 - A forward-looking Risk Appetite framework that guides the bank in its various and most significant risk-taking decisions
 - Comprehensive coverage of all risks and their interconnections
 - Near real-time database that supports the risk monitoring, control, and reporting
- Currently, there is no mandate to comply with specific Technology Risk Management standards; however, the strategic objective for Boubyan's Technology Risk Management function is to ensure alignment with COBIT 5 for Risk, as it provides the basis to integrate easily and effectively with other frameworks, standards and practices, such as ISO27001, PCI-DSS, Central Bank of Kuwait (CBK) CSF, and IT Governance.

3. ISD

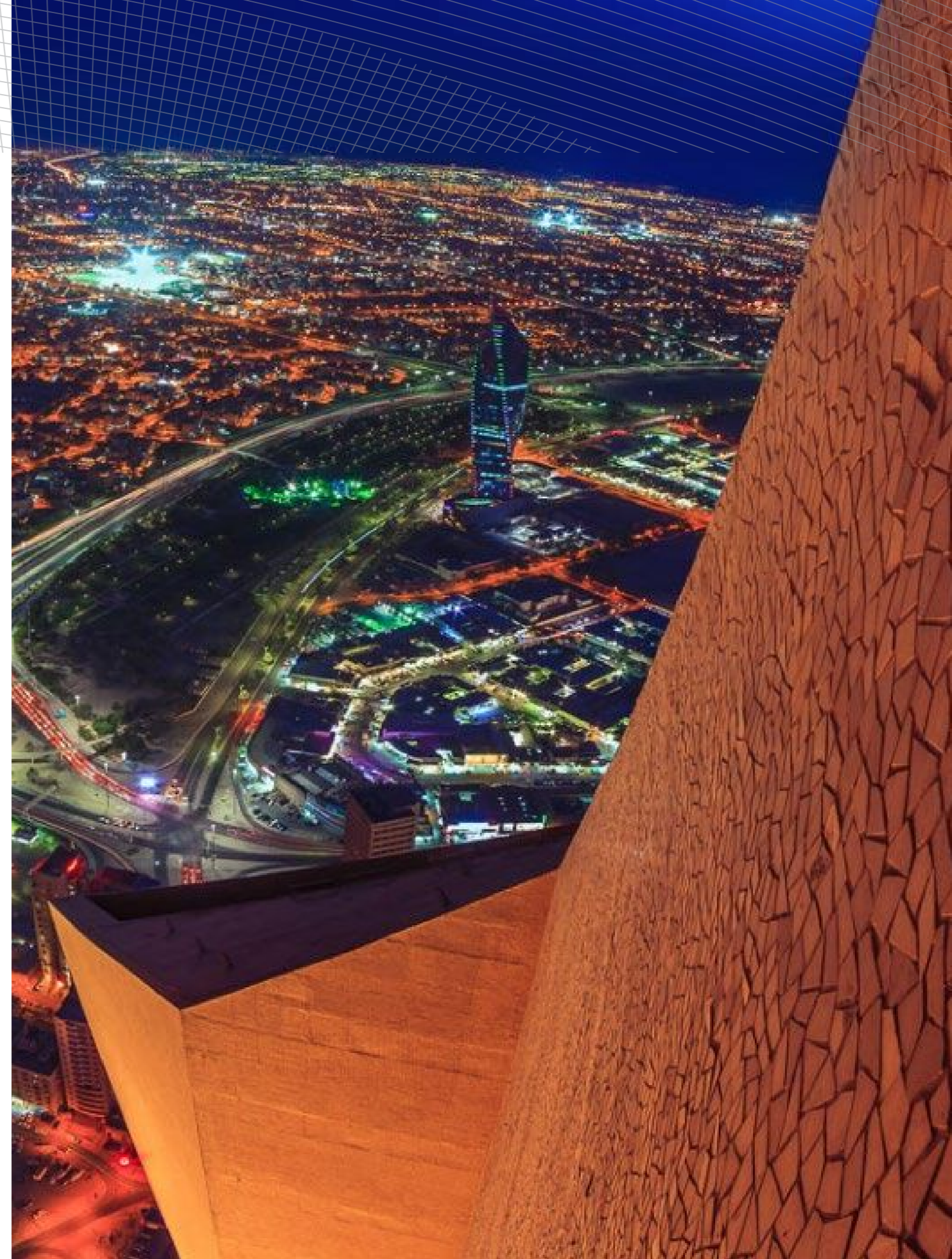
- ISO27001

4. Fraud Risk Management

- Basel Standards are applicable for RCSAs and Global Payment Association (Europay, Mastercard, and Visa - EMV) standards are followed.

In addition to the above risk management standards and frameworks, BLME is applying regional ones, as follows.

- UK Prudential Risk Authority (PRA)
- Financial Conduct Authority (FCA)
- European Banking Authority regulatory expectations



3.5.1 Risk Controls

(102-11, 102-15)

Controls are vital tools used in Boubyan's risk management. Internally, Boubyan manages risks through a series of preventative controls (to avoid the risk events), detective controls (to identify the risk events), and corrective controls (to fix the risk events). Accordingly, risk mitigation procedures are implemented by the appropriate business functions in order to overcome the risk events. More information about risk controls is provided per area below.

1. TRD

Boubyan implements Technology Risk Management related preventative, detective, and corrective controls, as follows:

- Preventive controls:
 - Enforcement of separation of duties
 - Authorization
 - Policy, process, procedures and standards
 - Data classification
 - Data encryption
 - Firewalls
 - Virtual LAN
 - Others

Detective controls:

- Event log monitoring
- CCTV and surveillance logs
- Review of access rights
- Audit logs
- Unauthorized changes
- Network intrusion detection
- Antivirus
- Others

Corrective controls:

- All measures taken to repair damage or restore resources and capabilities to their prior state following an unauthorized or unwanted activity
- Backup restoration
- Automatic removal of malicious software
- Business continuity
- Recovery plans
- Incident response plan
- Others

2. ISD

The ISD is maintaining Technical and Administrative controls.

Operational

Boubyan implements operational preventative, corrective, and detective controls as follows:

- Preventive controls
 - Maker and Checker processes
- Corrective controls
 - Data backup measures
 - Roll back to point in time functions
- Detective controls
 - Checker functions
 - Quality assurance functions
 - Maker and checker concept to all possible functions

4. Fraud Risk Management

As part of compliance with the Fraud Risk Management Policy, all Boubyan business functions are mandated to implement fraud control measures for implementing processes and procedures in their respective business areas. Fraud RCSA for business divisions is under implementation. Over and above this, fraud monitoring tools and controls are implemented for transaction monitoring of Cards, Acquiring (POS), and Digital Banking transactions.

For BLME, its approach to risk control is embedded in the organization's process, which is derived from the ISO 31000 standard. Specifically, the approach can be broken down into 6 steps as follows:

1. Risk identification
2. Risk assessment of each principal risk and sub-risk
3. Risk mitigation
4. Execution and monitoring
5. Assurance
6. Monitoring and reporting

3.5.2 Business Resilience and Stress Testing

(102-11, 102-15, 205-1)

The various risk functions at Boubyan ensure that the business model remains resilient, and this is further checked through periodic stress testing. This has especially been vital during the COVID-19 crisis to ensure that Boubyan remains resilient against the various challenges presented by the pandemic.

Boubyan takes a proactive stance on scenario planning, stress testing, and reverse stress-testing, viewing such tools as more than a regulatory requirement. These tools are utilized as critical input for managing Boubyan's balance sheet, capital position, and plans. Stress testing is also very useful in identifying pockets of growing risks that may have the ability to exponentially grow in cases of crises and stress. Boubyan conducts these tests at least twice a year for regulatory purposes and more frequently within the year as the need arises.

This area includes conducting a series of stress tests and scenario planning. Accordingly, the tests are conducted regularly, at least twice a year, as well as more frequently within the year as the need arises. Meanwhile, scenarios are updated at least annually in conjunction with the review of the multi-year business plan, or more frequently if required. Scenarios are documented in the Stress Testing & Scenarios Policy. Moreover, Credit and Liquidity scenarios are monitored and reported monthly.

As an example, Figure 3.5.2 provides selected scenarios considered in relation to the COVID-19 crisis. These scenarios played an important role in Boubyan's risk management efforts when deciding current and future actions to mitigate the related challenges through the COVID-19 business continuity planning (BCP).

Figure 3.5.2: Selected COVID-19 Scenarios in Scenario Analysis

- Scenario 1 Staff Absenteeism
- Scenario 2 Supply Chain Failure
- Scenario 3 Workplace Environment Infection and Staff Protection
- Scenario 4 Utility Failure (Power Telecommunication)

Case Study

COVID-19 Business Continuity Plan

Introduction

Boubyan's COVID-19 business continuity planning (BCP) considered in-depth instructions, changes, circumstances, and compliance with the direction of governmental institutions. Other areas considered were the CBK regulations and guidance, and the interests of the various Boubyan stakeholders. Ultimately, Boubyan's BCP showed to be a vital tool in proactively managing throughout the COVID-19 crisis.

Purpose and Objective

Boubyan's COVID-19 BCP was developed as a guide to facilitate the continuity, availability, and resilience of essential and mission-critical products, services and business functions during the current COVID 19 crisis.

The objectives of the BCP were the following:

- Reduce transmission of the COVID-19 virus strain among employees, customers/clients, and partners
- Minimize illness (generally) among employees and customers/clients
- Maintain mission-critical operations, products and services

COVID-19 BCP Priorities

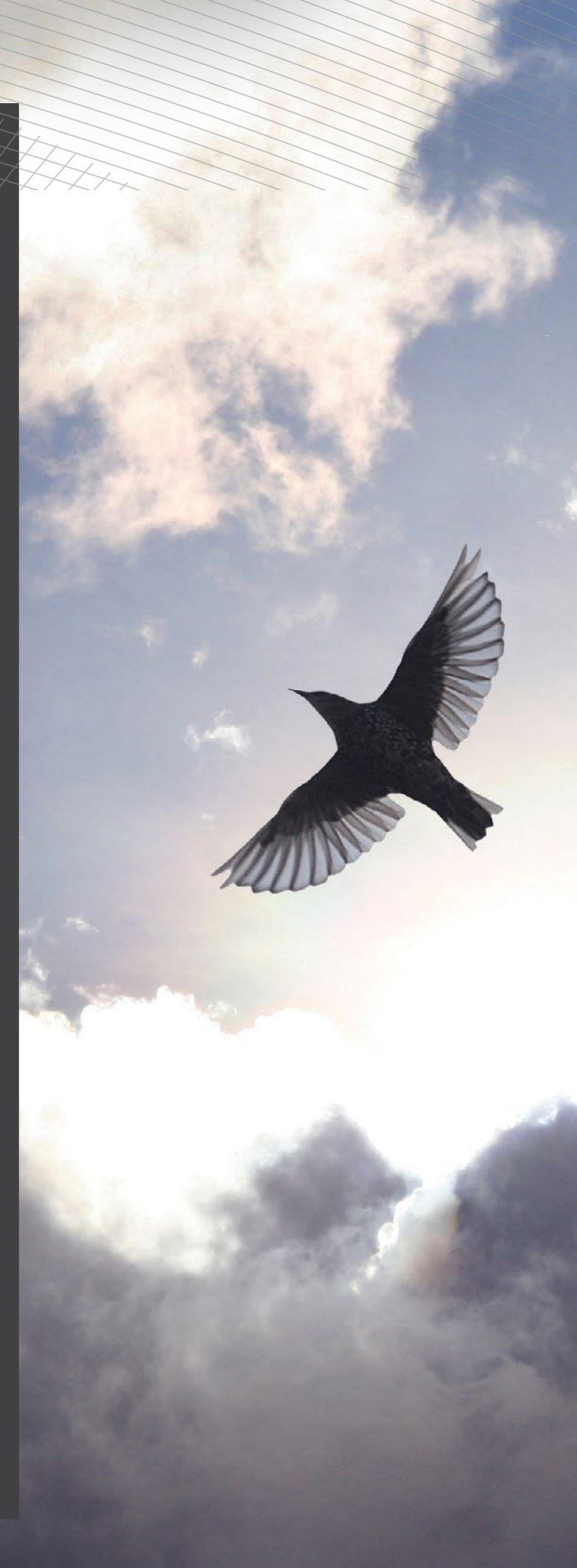
COVID-19 BCP emphasized mission-critical products, services, and business operations, and a key understanding of how a partial or full lack of such elements would impact Boubyan's business operations. Mission-critical elements included, but were not limited to, the following:

- Bank employees and outsourced staff
- Supply chain facility management maintenance, key supplies, service providers and contactors
- Core IT systems, IT operations IT infrastructure
- Vital records protection and off-site tape backups (national and international)
- Telecommunication data voice and internet service provider (ISP)
- Kuwait Ministry of Interior (MOI) curfew permissions and workplace access for the Data Center, IT disaster recovery (DR) Site, Call Center, and Fraud Authorization Monitoring
- Cyber security monitoring 24/7
- Security Control Monitoring

Outcomes:

As result of Boubyan's executed action plans, there were no material negative impacts or business disruptions on Boubyan's operations. Periodical and continuous reviewing, updating, amending and documenting of COVID-19 BCP according to evolving circumstances and CBK instructions were implemented.

Boubyan BCP is continuously collaborating with a range of internal stakeholders, and is cooperating with them at a range of levels to ensure Boubyan's resilience and ability to anticipate, absorb, and adapt to any internal and/or external changing circumstances during these periods of heightened uncertainty and disruption. Ultimately, the BCP is committed to contributing to Boubyan's vision, mission, and core values in responding to the COVID-19 crisis.



3.6 Compliance

(102-16, 103-1, 103-2, 207-1, 207-2, 207-3, 207-4)

Sustainable organizations are those that exhibit proper compliance with a range of applicable regulations and standards, both externally (ie. regulatory authorities) and internally (ie. policies and procedures). A specific area of compliance that is often disclosed in sustainability includes business ethics, covering fraud, money laundering, and corruption. More information about Boubyan's compliance and ethical business aspects is given in this section. Boubyan ensures regulatory compliance with various bodies, including the Central Bank of Kuwait (CBK), due to being a financial institution, and the Capital Markets Authority (CMA), due to being listed in the Kuwait Boursa (Kuwait stock exchange). Accordingly, reports are frequently sent by Boubyan to these regulatory bodies to transparently affirm compliance.

3.6.1 Policies

(102-16, 102-17, 102-25, 102-35, 103-1, 103-2)

Through coordination among the Board of Directors, executive management, and the respective business functions, Boubyan has developed various policies as tools in order to govern, monitor, improve, and implement strategy in various areas. Policies range across several topics that include, among others, shareholder rights, ethics, remuneration / compensation, code of conduct, workplace matters, financial ethics, and others.

Shareholders' Protection Rights Policy

Boubyan ensures shareholders' rights through the Shareholders' Protection Rights Policy. As part of the policy, all equity shares are ordinary with equivalent voting rights, in compliance with Kuwait's commercial laws and Boubyan's articles of association and by-laws. Specifically, the Policy addresses the following areas:

- Ownership rights
- Rights of attendance and calling for general assembly
- Rights of voting, election, and discussion
- Rights of profit, appropriations, and placement
- Rights in access to information

Policies for Ethics

Specifically concerning Boubyan's Code of Conduct, this has been developed to ensure that Boubyan staff behave and do business in an ethical way in line with standards. This Code is periodically reviewed (every 3 years), with the last review and approval being conducted during 2015 and 2016. However, during 2019, another internal review of the Code of Conduct was conducted, with no changes to update. On December 2019, the Code of Conduct was circulated to Boubyan staff for its acknowledgement.

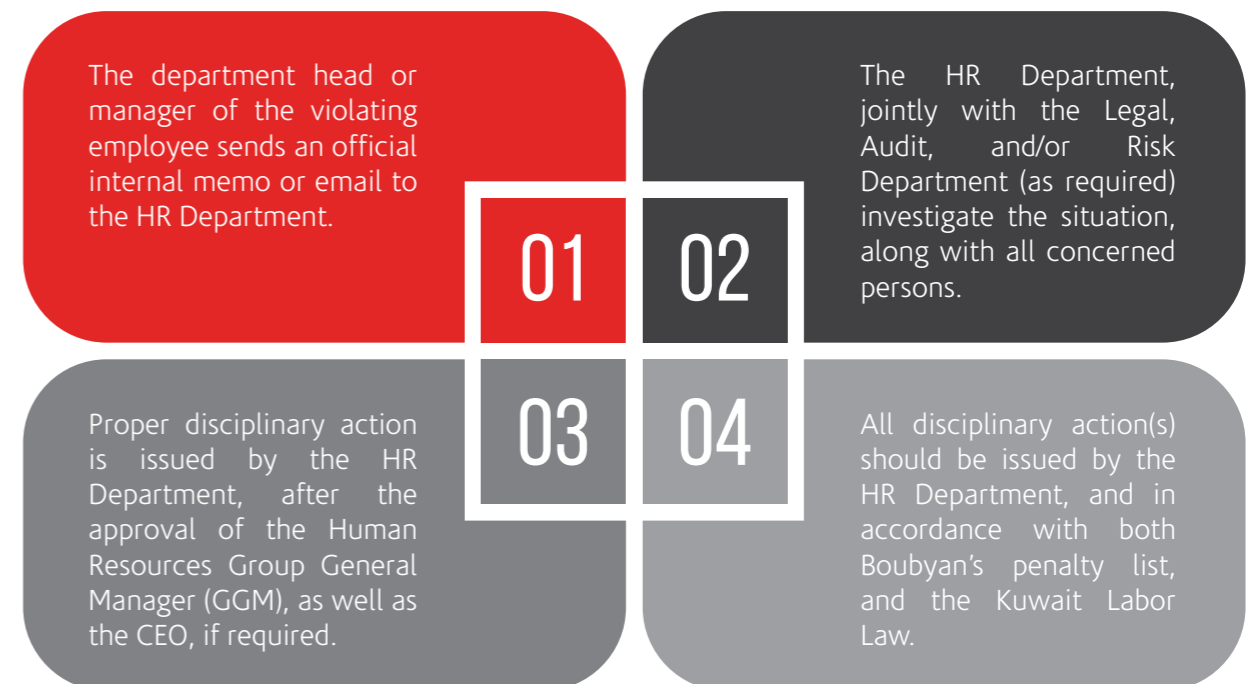
There are various standards addressed in the Code of Conduct, including compliance with laws, rules, and regulations, professional standards, personal standards, general standards, and policies for ethics throughout the Code of Conduct. These are further explained and categorized in Figure 3.6.1a as follows. Note that these elements specifically pertain to Boubyan Bank, while subsidiaries implement their own separate approaches to business ethics.

It is important that the staff Code of Conduct is monitored and complied with, and the Code accordingly delineates a certain procedure to be followed in case of staff violation of the Code, as illustrated in Figure 3.6.1b as follows.

Figure 3.6.1a: Code of Conduct Categories



Figure 3.6.1b: Procedure for Code of Conduct -Violation



Boubyan has other policies that govern ethical matters—including the Conflicts of Interest Policy, Integrity Policy and Whistleblowing Policy—all of which have the purpose of ensuring ethical business practices, ensuring independence from conflicts of interest, and providing mechanisms to voice any feedback, concerns, or grievances concerning any ethical matters. Specifically, the Whistleblowing Policy provides stakeholders with a safe

and anonymous mechanism to identify and communicate any ethical concerns. Additionally, at BLME, various ethical matters are governed and communicated through the Employee Handbook and Whistleblowing Policy, which similarly provide mechanisms and procedures for stakeholders to voice any ethical concerns. In addition, BLME Board Directors have access to independent legal advisors, if required, paid for by BLME.

Policy for Compensation / Remuneration

In addition to policies governing business ethics, Boubyan has developed policies governing compensation and remuneration. Every year, remuneration disclosure is provided in the Governance Report as part of the Annual Report.

For BLME, compensation and remuneration matters are governed by the BLME Remuneration Framework, in line with the Senior Manager and Certification Regime (SMCR) of the UK Prudential Regulation Authority (PRA).

Policy for Conflict of Interest

Concerning Board and executive management independence, this is one of the areas that is usually disclosed as part of ESG disclosures. One way that Boubyan monitors and ensures their independence is through the Conflict of Interest Policy.

Accordingly, Boubyan is currently in the process of appointing 2 independent Board members by 2021, and 2 more independent

members by 2022. Accordingly, the percentage of independent Board members is expected to be around 18% by 2021, and around 31% by 2022. As for BLME, the Board independence rate is currently 36.4%, compared to the previous year (2019) figure of 44.4%. BLME Board independence was reduced due to the appointment of 2 non-independent (Boubyan Bank) nominees in 2020.

Corporate Governance Manual

Boubyan's Corporate Governance Manual plays an important role in codifying our governance aspects. It is built around a set of 9 pillars illustrated in Figure 3.6.1c, and aims to promote aspects listed in Figure 3.6.1d. Note that our Corporate Governance Manual is reviewed by the Board Committee on a periodic basis and when required, to ensure that Boubyan continues to adopt high standards and professional practices. In case of any recommended amendments or updates, they would be presented to the Board of Directors for review and approval.

Figure 3.6.1c: Boubyan Pillars of Effective Corporate Governance

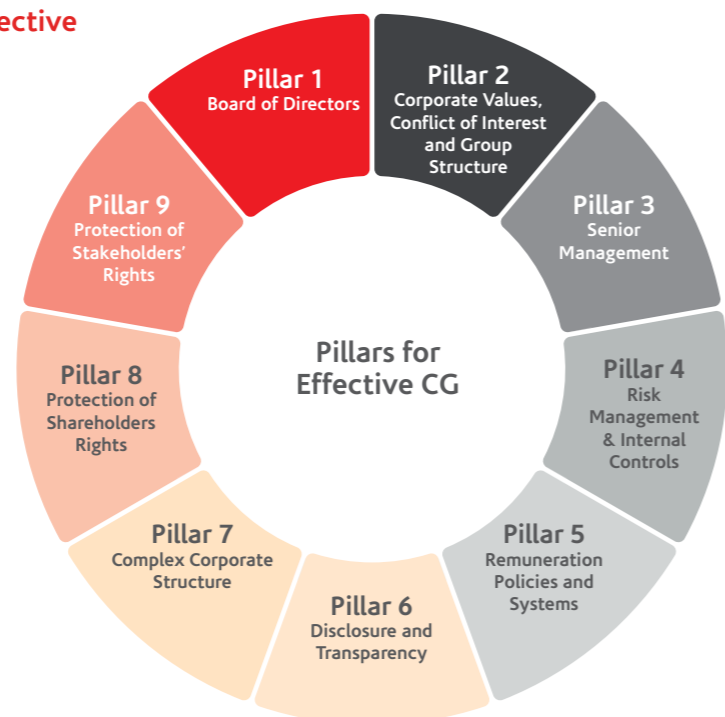


Figure 3.6.1d: Aspects Promoted in Corporate Governance



3.6.2 Anti-Fraud and Corruption

(102-16, 102-17, 103-1, 103-2, 205-1, 205-2, 205-3, 206-1)

Boubyan is very conscious of and protective against various financial ethics behaviors, including corruption, fraud, money-laundering, bribery, and anti-competitive practices. To govern this, Boubyan has a range of anti-bribery, anti-corruption, anti-money laundering (AML), and anti-fraud policies. These policies are reviewed annually, or more frequently depending on circumstances. Through Board meetings, the Board of Directors are also informed of these matters.

Accordingly, we disclose the number of corruption, fraud, bribery, and money-laundering incidents for the 2020 period for Boubyan, noting that the incidents have successfully been kept at Zero (0) for all cases.

Anti-Money Laundering (AML)

Looking at money laundering matters, Boubyan periodically receives anti-money laundering (AML) reports, while AML is also reviewed by the BRCC on a quarterly basis. Furthermore, the Board receives reports on all Kuwait Financial Investigations Unit (KFIU) cases.

For BLME, Board oversight of AML is delegated to the Audit Committee, which receives a quarterly update report from BLME's Money Laundering Reporting Officer (MLRO). This report is discussed at every scheduled quarterly meeting.

Financial Ethics Violation

If financial ethical violation is committed by any of our personnel, Boubyan has a certain procedure to be followed involving the Financial Committee, which must be completed within 5 working days. This procedure is laid out in Figure 3.6.2 as follows.

Figure 3.6.2: Financial Ethics Violation Procedure



Meanwhile, for BLME, if a financial ethics incident occurs, this would be raised to the money laundering reporting officer (MLRO). The MLRO's response will depend on the nature and severity of the incident, but may include notification to the appropriate authorities.

Financial Ethics Due Diligence

One way that Boubyan protects against financially unethical elements is through conducted due diligence on any new or potential business partners. Specifically for BLME, when a new business partner is on-boarded, they are

subject to due diligence reviews in relation to information security, financial ethics and data protection, depending on the nature of the partnership. These reviews would consider the appropriateness of controls within the partner organization and also a more general review of the business to ensure that BLME is comfortable entering into a relationship with them. BLME would conduct appropriate screening for high risk or other indicators.







4 | Sustainable Marketplace Experience

As the marketplace is one of the 4 sustainability / ESG dimensions (MEWC), Boubyan reports on marketplace aspects that include, among others, responsible services and solutions, brand power and recognition, customer experience, and sustainable procurement. Sustainable organizations should exhibit strong economy-related indicators, not only in their bottom-line, but also in the way they give back to the local economy through direct and indirect impacts. Specifically in ESG, the marketplace dimension touches on social aspects for mainly customer impacts, governance aspects for internal activities, and environmental aspects in the responsibility side of products and services. This focus is further enabled by national and global sustainability frameworks that highlight economic / market aspects throughout sustainability / ESG directions.

As such, the marketplace is a Sustainability – “Gene and Core Value” for Boubyan. Two stakeholders specifically targeted in this section include customers (through the responsible products and services provided, and enhanced customer experience), as well as suppliers (through our focus on local procurement). In fact, through engagement with our stakeholders in the form of materiality assessment, we have prioritized a total of 7 material topics that pertain directly to the marketplace.



SUSTAINABLE DEVELOPMENT GOALS

-  Good Health and Well-Being
-  Decent Work and Economic Growth
-  Industry, Innovation and Infrastructure
-  Responsible Consumption and Production

4.1 Responsible Services and Solutions

(102-2, 102-4, 103-1, 203-1, 416-1, 417-1)

Boubyan reports on the responsibility aspects and positive impacts of its services and solutions, as part of ensuring a sustainable marketplace experience. This includes investments into socially responsible projects, conducting banking awareness campaigns, ensuring product safety and quality, supporting small and medium sized enterprises (SMEs), and communication of the various ways that we cater to customers' needs through our products and services. More information about our responsible services and solutions is provided throughout this section.

Socially Responsible Investment

Our digitization strategy is largely propelled by Socially Responsible Investing. We have an obligation to our environment and digital innovation allows us to reduce our carbon footprint. Furthermore, the new Boubyan

headquarters reinforces this strategy as it is also being designed to be "green" and environmentally friendly. Boubyan's financial activities pertain to a series of sustainability-related projects, displayed in Figure 4.1a below. The figure displays 4 of these projects, amounting to a total financial value of 152.65 million KD. While examining lending opportunities, ESG opportunities often do arise, and Boubyan aims to support such projects. Looking at the specific projects outlined below, selected outcomes contributed to include, among others: environmentally-friendly operations, sustainable waste management, sustainable water management, and clean fuel. In addition to these projects, Boubyan supports natural liquid gas (NLG) producers through financing, in an effort to support environmentally-friendly projects.

Figure 4.1a: Sustainability-Related Investments

Project	Sustainability Features	Financial amount
Desalination plant in UAE	Desalination plant	22.65 million KD
Kuwait waste-water treatment plant	Waste management	40 million KD
Kuwait clean fuel project with Kuwait National Petroleum Company (KNPC)	Clean / renewable energy	90 million KD
		152.65 million KD

Banking Awareness Campaigns

Several awareness campaigns have been launched to increase the consumer's banking financial knowledge through social media

platforms and Boubyan's website. The topics are provided with details concerning the specific awareness campaigns, displayed in Figure 4.1b as follows.

Figure 4.1b: Banking Awareness Campaigns

Project name: Know Your Rights

The «Know Your Rights» campaign is an all year ongoing campaign by Boubyan Bank, that targets all our customers segments - which aims at increasing the customers awareness of their rights with the bank. This campaign is in line with CBK's requirements in raising customers awareness, where a number of awareness messages are communicated with our customers on a monthly basis.

Project name: Special Needs Customers Social Media Posts

Boubyan Bank has an all year ongoing campaign, in which the targeted segment is our special needs customers. The campaign's objective is to increase our special needs customers awareness of the benefits and services provided especially to them. A message at least every month is communicated with our special needs customers, to fulfill CBK's requirements in increasing the awareness of special needs customers.

Project name: Boubyan Security Tips Messages through Social Media Channels

Boubyan Bank has an all year ongoing campaign, where messages are communicated on a weekly basis through our social media channels. The content of the messages provide security tips with the objective of increasing our customers awareness regarding their accounts information and security.

Project name: Encouraging Cards Usage Posts

As a response to the COVID-19 crisis, Boubyan Bank launched a campaign which encourages all customers to pay with their cards and avoid paying with cash. The campaign started in March and is still ongoing, with the objective of increasing our customer's awareness to avoid physical contact to ensure their safety and wellbeing.

Project name: Branch Appointment Service

The «Branch Appointment Service» was launched as a response of re-opening Boubyan Bank branches post the COVID-19 crisis lock-down. The service started in June and is still ongoing, it allows all Boubyan Bank customers to book an appointment in advance prior to their branch visit. The main purpose of this service is to ensure our customers safety by eliminating customers crowding and decreasing the waiting time.

Project name: Center of Excellence Forum

The Change Management Department at Boubyan Bank hosted the «Center of Excellence Forum», highlighting our contribution to local organizations. The objective of the project, is to share and leverage knowledge on how local organizations can continuously improve and develop.

Project name: Msa3ed Competition

The «Msa3ed Competition» was launched in August 2020 (until year end). The main objectives of the competition are to increase our customers engagement, raise their awareness regarding Boubyan's products and services, familiarize them with Msa3ed application and increase Boubyan's top of mind. This media competition provided more exposure to Boubyan's products and services, and increased our engagement with customers and raised their awareness of our products.

Product Safety and Quality

At Boubyan, all the products and services that we provide to customers are rigorously tested internally to ensure they meet Boubyan standards and our promise to customers. Accordingly, a multifunctional team of experts reviews and tests any new product functionalities before it is rolled out to customers.

For BLME, all business proposals and applications for credit are submitted to its Credit Committee, which must articulate any climate change risks, as well as the mitigation that must be taken into account at the client / customer level, before any financing offer can be made by BLME.

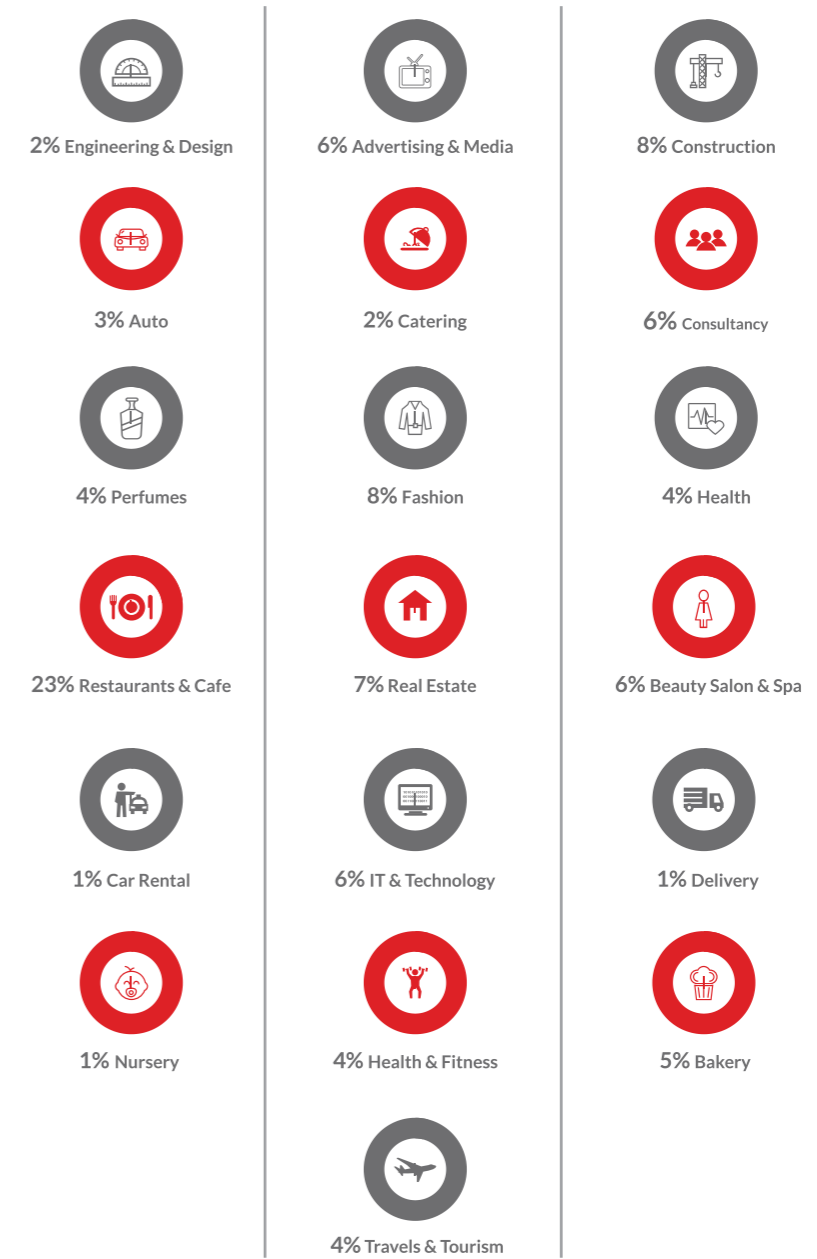
In addition, at Boubyan, there are various sustainability-related aspects within our products and services, which have been especially developed by the Consumer Banking Group (CBG). These include the digital services that yield various paperless outcomes, as well as plans to embed environmental aspects into

our auto finance loans products. CBG is also focusing on the workplace by recruiting and investing in people, and providing a suitable work environment for the teams to achieve their full potential, leading to high quality customer services. There is also a solid layer of governance applied to product safety and quality, as related policies are under the maker-checker process (or -4Eyes process), and go through certain approvals. For BLME, product safety and quality is further governed by the Product Committee and BLME Product Policy.

Small and Medium Sized Enterprises (SME) Support

One way that Boubyan embeds responsible aspects into its business is its support of small and medium sized enterprises (SMEs). Looking specifically at Boubyan's own clients, we have around 2,500 current SME clients as of 2020. These come from a range of sectors, illustrated in Figure 4.1c as follows.

Figure 4.1c: Sectors of SME Clients



We support SMEs through retail banking, whereas the Consumer Banking Group (CBG), under the Business Banking Department, provides numerous services to SMEs. Figure

4.1d lists the various services provided to SMEs. The figure also shows that there is a 1,000 KD minimum deposit, and compares the services provided to other industry peers in the nation.

Figure 4.1d: Services and Support to SMEs

Basic requirements and services



- Current account
- Business credit card
- POS/PGW
- Local and international transfers
- Debit card
- Deposit card

Additional services



- Salary portal
- Government debit card
- Petty cash card
- Link payment (ePay)

Channels



- Online banking
- Mobile banking
- Branches (5)

In addition to retail banking, Boubyan supports SMEs through corporate banking. This includes credit analysis with the Kuwait National Fund for SME Development (SME Fund). From 2017 until the present, we met, analyzed, and presented 1,685 cases of SMEs to be approved by the SME Fund. As a result, 387 of the SME cases obtained final approval from the SME Fund, valued at a total financial amount of 53 million KD.

In addition, Boubyan conducted factoring transactions for SME suppliers— supporting them in managing their account receivables and increasing their cash liquidity.

Boubyan had been especially supportive of SMEs in 2020 during the COVID-19 pandemic. An initiative we took is that we waived the ePay service fees and subscription fee for all SMEs customers for four months. Furthermore, the POS/PWG fees for all our customers were also waived for four months, as a response to support our customers during the COVID-19 crisis.

In addition, BLME also supported local businesses in the UK by sending BLME employees themed gifts to help them work well from home. The Bank selected products with an ESG focus where available, and by engaging with local businesses on social media, helped boost the profile of local companies.

Incubation Program

Boubyan had established an Incubation Program (Boubyan Incubator) to support local startups and entrepreneurs. In this regard, we have recruited advisors who have a regional and international presence to mentor the entrepreneurs and assist them in various sectors and levels. The end results aim at establishing a healthy startup, ready to grow organically and sustainability. More information is provided as follows:

Case Study

Incubation Program

Overview:

Boubyan's Incubation Program is an initiative that assists and incubates entrepreneurs by providing them with knowledge, training, networking facilities, workshops and access to mentors in order to help them build and grow their ideas to start their entrepreneurship journey.

Objective:

The objective of Boubyan's Incubation Program is the following:

- To stimulate the startup markets in Kuwait
- To give guidance so business owners are able to build and maintain a sustainable business
- To target and support entrepreneurs who are passionate, and want to develop their idea into a solid and sustainable business

Outcome:

The outcome of the Incubation Program was that Boubyan was able to support entrepreneurs. Entrepreneurs' businesses got ready to fly, became well established, were able to contribute to the local market, and possibly expand globally. In addition, the Program allowed for the establishment of new partnerships that added value to both Boubyan and the local market.

Excellence in Project Management

Boubyan ensures excellence in the management of strategic projects, especially guided by our Center of Excellence Division. The engagement approach of our project management includes executing the tasks that have been previously defined in the project management plan, and meeting key objectives within a predefined timeline, resources, and budget. A project execution strategy (PES) approach is used, which outlines the execution of tasks to complete project successfully. It is usually developed by the project's leaders along with one or more representatives of the business owners by:

- 1- Focusing on the final outcome, by ensuring that project goals and objectives have been clearly and thoroughly defined.
- 2- Getting team onboard by having clear and straightforward communication plans; clear explanation of strategy execution gives the project team a better understanding of how they will each contribute, what their responsibilities will be, what is expected of them, and much more.
- 3- Exhibiting leadership skills, management skills (strategic and business), and technical project management skills.

The project management process begins with an extensive initiatives-planning exercise, which takes place prior to each year to identify and agree on the list of initiatives/projects that will be executed during the year, and ensure that only the right project that is aligned to strategic goals will be executed.

Throughout project execution, the overall project efficiency is measured based on whether the project outcome meets the strategic objectives within the dimensions of project efficiency - time, budget and scope. Moreover, the following 6 steps are adhered to, in order to ensure project quality and excellence:

1. A good plan
2. Appropriate communication
3. Manage stakeholders
4. Good measurement
5. Constant review
6. Act early

Then, after project completion as well as during various points during the project, we follow an approach to assess the impacts of our projects. A number of indicators are used by the project manager to assess project success, mainly examining the project cost versus the output.

The 4 evaluation points are listed below:

1. Schedule
2. Cost
3. Stakeholder satisfaction
4. Performance against the business case

In examining project management excellence in 2020, the COVID-19 crisis is one area that should be considered. During this pandemic, the amount of activity to be coordinated and mobilized was increased. The need to properly plan was key, especially to do quickly and with the right rigor. There were often multiple meetings with different agendas, stakeholders and priorities. Accordingly, we have managed to adapt quickly and effectively to these challenges, with teams being able to pivot to rapid and large-scale shift to working remotely with a minimal disruption to ongoing strategic projects that experienced a sudden changes to the way they were managed. This involved re-setting the processes to govern delivery, with some projects requiring significant changes to ways of working to remain effective. During the pandemic, we managed to effectively close all planned strategic projects, such as the ISO 27001 Certification Project.

Throughout the project management process, technology plays an important role in ensuring quality and efficiency—especially being useful during the pandemic. Specific digital tools used include Microsoft (MS) Teams, Jira, Confluence, VPN access, Sciforma for Project Management, etc. These helped in facilitating project execution, team follow up, documents collaboration, and project execution.

4.1.1 Banking Services

(102-2, 102-6)

Products and Services

Boubyan offers a variety of products and services to our customers. This includes 41 currently open branches in Kuwait. The specific branches are listed in **Annex 6: Boubyan Open Branches in Kuwait**.

Furthermore, the various products and services offered include the following,

- Personal banking, for individual customers
- Private banking, for high-net-worth- individuals (HNWI)
- Business banking, for businesses
- Corporate banking, for corporations

Table 4.1.1a: Products and Services

Products and Services	Personal Banking	Private Banking	Business Banking	Corporate Banking
Accounts	Salary Accounts - Platinum Account - One Account - Retirees Account - Current Account Youth Accounts - PRIME Account - Al Ghaly Account Saving Accounts - Savings - Premium Savings Account Solutions - Waferli (saving tool) - Safety boxes (for valuables)	Private Banking account	Business Accounts - Current Account - Call Account Account Solutions - Epayment Gateway - Swift Transfer - Merchant Sales	Business Accounts - Current Account - Call Account - Barwa Account - Amil Account Account Solutions - Swift Transfer - Merchant sales
Cards	Credit Cards - Visa Signature - World Mastercard - Special Edition World Elite Mastercard - Visa Platinum - Mastercard Platinum Debit Cards - Visa Debit Card Prepaid Cards - Prepaid Cards - Gift cards - Digital prepaid card Card Solutions - UTap Services (NGC technology) - UTap Wearables (Garmin Pay and Fitbit Pay) - Samsung Pay - Credit Card Issuance - 3D Secure - Visa checkout - Boubyan rewards - Boubyan checkout - Visa and Mastercard offers	Credit Cards - Visa Infinite Credit Card - Mastercard World Elite Credit Card Debit Cards - Visa Infinite Debit Card Card Solutions - UTap Services - Online Credit Card Issuance - 3D Secure - Visa checkout - Boubyan Rewards	Credit Cards Debit Cards - Visa Debit Card - Deposit Card - Mandoub Card - Petty Cash Card Card Solutions - Visa Business Reporting	Debit Cards - Deposit Card - Visa Debit Card
Finance	Finance Products - Housing - Auto - Furniture finance - Health - Education - Short-term finance Financial Solutions - Digital Murabaha - Flexi Payment	Finance Products - Housing - Auto - Furniture finance - Health - Education Finance Solutions - Digital Murabaha - Flexi Payment	Finance of Small, Medium, and Large Enterprises and Economic Entities	Murabaha Ijara Trade Treasury

Products and Services	Personal Banking	Private Banking	Business Banking	Corporate Banking
Investments	Fixed Deposits - Al Hana - Al Hana USD Deposit - Al Mona - Sama - Wakala - Al Jana - Educational savings plan Boubyan Capital - Boubyan KD Money Market Fund II - Boubyan USD Liquidity Fund - Boubyan Kuwait Real Estate Fund - Multi-Asset Holding Fund - Islamic Global Sukuk Fund - Local and GCC Equity Fund - Boubyan Capital's Brokerage	Fixed Deposits - Al Hana - Al Hana USD Deposit - Al Mona - Sama - Wakala - Al Jana - Educational Savings Plan Boubyan Capital - Money Market Fund II - USD Liquidity Fund - Boubyan Kuwait Real Estate Fund - Multi-Asset Holding Fund - Islamic Global Sukuk Fund - Boubyan Capital's Brokerage	Wakala Money Market Fund II USD Liquidity Fund Boubyan Kuwait Real Estate Fund Multi Asset Holding Fund Boubyan Capital's Brokerage	Fixed Deposits - Wakala Boubyan Capital - Money Market Fund II - USD Liquidity Fund - Boubyan Kuwait Real Estate Fund - Multi Asset Holding Fund - Boubyan Capital's Brokerage
Partnerships Offers			ExpandCart Holistic Development & Consulting NiU Business Hub	
Insurance	Insurance products	Insurance products	Insurance products	Insurance products

There are specific products, services, and features that have been developed during the COVID-19 pandemic, which are listed below.

- Local and international transfers
- Activate online access
- Reactivate the block cards
- Upgrade online transfer limits
- Handing over cards and PINs to customers during the partial lockdown

BLME Banking Services

In addition, specialized products and services are provided by BLME, which are listed in Figure 4.1.1b as follows. Note that BLME provides various competitive banking and financing solutions, especially to the UK mid-market, as well as supporting companies with links to the Gulf Cooperation Council (GCC) region. BLME clients range from multinational corporations to family businesses that generally earn a minimum operating profit of 1£ million across a variety of sectors.

Figure 4.1.1b: BLME Products and Services

Savings Accounts Premier Deposit Account (PDA) Notice Account
Business Finance Real Estate Provision of commercial real estate financing Commercial real estate investment funds
Wealth Management / Private Banking Card Portal Mortgages (ie. residential) Specialist assets and syndications Club deal investments Aviation (ie. private jet) and Yacht Finance Current Account Prepaid Debit Cards Holiday Home Finance Investment Solutions

Banking Channels

Boubyan customers are provided with a range of banking channels to use to meet their needs. These can be either conventional channels, or digital channels, with nuances between the

type of banking. Accordingly, personal and private banking channels are shown in Figure 4.1.1c, while Figure 4.1.1d shows the banking channels available for business and corporate banking.

Figure 4.1.1c: Banking Channels - Personal and Private Banking

Conventional Channels Branches Special needs branches Boubyan Direct ATMs Doorstep Banking Call center	Digital Channels Boubyan Mobile App Online Banking Msa3ed (personal assistant) WhatsApp banking Android Wear and Apple Watch
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Figure 4.1.1d: Banking Channels - Business and Corporate Banking

Conventional Channels Branches Special needs branches	Digital Channels Corporate Mobile App Online Banking
--------------------------------------------------------------------	-------------------------------------------------------------------

Corporate Banking

One area that Boubyan excels in is corporate banking services. Accordingly, Boubyan offers a range of long and short-term financing products that are designed to meet the corporate client's specific business requirements and support to manage day-to-day expenses more effectively.

Another service offered is the trade services. Boubyan's Trade Services Department offers innovative and simplified solutions to the most complex deals and helps you manage your international trade transactions more efficiently via a smart online platform.

Specifically concerning FX spot / forward, an FX spot is a simultaneous purchase/sale of an amount in one currency for another with different value dates. This allows sums of one currency to be used to fund charges in another currency without the risk of an exchange rate. Boubyan offers foreign exchange services in major currencies and GCC currencies, both for remittances and for purchase and sale of currency notes.

4.1.2 Dynamic Islamic Services

(102-2, 102-6, 103-1)

Considering that Boubyan is an Islamic organization, Sharia'a principles and standards have an important role and are embedded throughout activities, products, and services. Specifically, Sharia'a banking has an important role to play in business development, profit, financial modelling, and the ability to offer competitive Islamic financial products. Sharia'a practices are especially integrated into the products listed in Figure 4.1.2 below.

Figure 4.1.2: Boubyan Islamic Products

Current Accounts	Savings Accounts	Wekala Deposits	Mudaraba Deposits	Savings plans
Personal financing Murabaha (cost-plus financing)	Mudrabah (profit-sharing and loss-bearing)	Mussawama	Credit Cards - charge and revolving	
Prepaid Cards	Wadiah (safekeeping)	Musharaka (joint venture)	Ijara (leasing)	

4.1.3 Investment Services

(102-2, 102-6)

Boubyan Capital is the investment arm (subsidiary) of Boubyan, which is specialized in the provision of investment services, including asset management, alternative investments, and brokerage services, mainly to institutions

and high-net-worth-individuals (HNWI). Boubyan Capital also manages the proprietary investments of Boubyan Group. The various products and services offered by Boubyan Capital are listed in Figure 4.1.3 as follows.

Figure 4.1.3: Boubyan Capital Product and Services

Asset Management Boubyan KD Money Market Fund II Boubyan USD Liquidity Fund Boubyan Multi Asset Holding Fund Islamic Global Sukuk Fund Local and GCC Equity Fund Other services
Alternative Investments Boubyan Kuwait Real Estate Fund
Boubyan Capital Brokerage

Sustainability / ESG Aspects of Investment

Regarding the investment decisions, Boubyan Capital applies the Sharia'a principles, which are themselves aligned with sustainability / ESG aspects. We aim to be transparent about these investments. We invest in conservative investments, which are around medium risk. We care about customer satisfaction, constantly assessing the quality of our brokerage services, and updating it regularly. Concerning governance, our investment decisions go through a range of criteria and approvals, ultimately ensuring proper compliance with CMA requirements.

Moreover, regarding the real estate portfolio, Boubyan Capital considers the "Environment" factor in ESG in terms of green buildings, ensuring that there are no building violations, and considers matters related to tenants, rent, fire safety, etc. Other ESG considerations include the building certifications that real

investment could have. For example, the Real Estate team purchased a building in the US for Boubyan's international real estate investment fund, as the purchased building had been Gold LEED certified. Throughout the investment process, the Real Estate team conducts the due diligence and refers the opportunity to the Real Estate Committee to decide whether to invest in the real estate property or not.

In addition, Boubyan Capital has launched awareness campaigns focused on financial knowledge and responsible banking behavior. These include:

- Educating Boubyan relationship managers (RMs) about the products provided
- Giving detailed information about the investment provided and services provided
- Providing a Risk Assessment survey with our investment to better gauge risk profile (in progress)

4.1.4 Insurance Services

(102-2, 102-6)

Boubyan Takaful Insurance Company (BTIC) is the insurance arm (subsidiary) of Boubyan, which offers a variety of insurance products. Generally, the insurance products are provided through the following 3 plans: General Takaful

Insurance Plans, Motor Takaful Insurance Plans, and Medical & Group Takaful Plans. However, Figure 4.1.4 provides a detailed list of insurance products that are offered through the 8 different classes of business.

Figure 4.1.4: Boubyan Takaful Insurance Products

Classes of Business	Product Name	Classes of Business	Product Name
Fire	Fire Householders Comprehensive Property - All Risks Terrorism Political Violence Hotel Block Insurance	Marine	Marine Cargo Marine Hull & Machinery (H&M) Aviation Hull & Liability
General Accident	Burglary Jewellery Plate Glass Travel Insurance-Credit Card Public Liability Fidelity Guarantee Workmen's Compensation Bankers Blanket Kidnap and Ransom Professional Indemnity Medical Malpractice Money Personal Accident Employers' Liability Specified Professions Live Stock Insurance	Motor	Comprehensive Third-party Liability Coverage (TPL) Drivers License Personal Accident Orange Card Motor 30:30
Engineering	Contactors - All Risks Erection All Risks Machinery Breakdown Machinery Breakdown Lop Electronic Equipment Boilers Plant & Equipment Deterioration of Stock	Life	Domestic Helper Credit Life Credit Card Saving Plan
		Fire	SME3 SME4 SME5 SME6 SME1 SME2 Doctor Plan
		Life	Treaty Based Shoun Family Protection
		Medical	Group Medical
		Travel	Travel

Sustainability / ESG Aspects at Boubyan Takaful

Boubyan Takaful insurance products have some ESG aspects aligned to them. Concerning the environment, there are resource savings (ie. paper) incurred as a result of adopting digital transformation. As for the social aspects, these include: providing employees with training, providing health insurance to the community, providing family protection for families, offering property insurance to protect against losses,

supporting employees through workmen's compensation insurance and personal accident insurance, among others.

Boubyan Takaful's products also have various health and safety aspects, including the medical / health insurance. Note that while health insurance premiums may rise as a result of health crises, risks, and challenges like COVID-19, Boubyan have successfully ensured that health insurance premiums were not changed in the reporting period.

Insurance Claims

Concerning the claims paid by Boubyan Takaful in 2020, there were no claim amounts for business financial losses or personal accident as part of occupational injury. However, Boubyan Takaful paid a total of 35,860 KD in workmen's compensation claims (as part of occupational injury), and a total of 816,108 KD in life insurance claims.

4.1.5 Engineering and Facilities Management

(102-2, 102-6, 307-1)

Boubyan reports on its engineering and facilities management activities, which are mainly carried out by the subsidiary Boubyan National. The Engineering unit is responsible for the supervision of the design and building Boubyan's civil and mechanical, electrical, and plumbing (MEP) requirements. On the other hand, the Facilities Management unit is responsible for all facility management and maintenance activities in Boubyan, as well as the execution of facility management and maintenance contracts signed with clients.

Throughout these activities, some ESG elements can be identified. Concerning environmental aspects, all contractors are required to adhere to the Kuwait Environment Public Authority (KEPA), and all other authorities. This compliance is a mandatory requirement in the contracts, and all bidders must adhere to the government laws. (1)

(1) Note the following selected laws with which to comply:

- Law No. 42, year 2014
- Amendments under law No.99 for year 2015
- ESIA Decree No. 2015/2
- Decree No. 2017/2
- Decree No. 2019/2
- Ministry of Electricity & Water (MEW) - R6 and S1

There are some directions to reduce resource consumption (ie. energy, water, and waste), and standards from the following are considered: Leadership in Energy and Environmental Design (LEED), Earth Observation and Geomatics Engineering (EOGE), and Uptime Institute.

Examining the social aspects of our activities, Boubyan conducts social responsibility initiatives. Also, operations' safety and quality are ensured by requiring, in all construction contracts, that contractors adhere to all safety measures, especially for the headquarters and the new data center projects.. Also, the projects have dedicated safety officers to ensure the safety and quality requirements. Finally, the governance aspects of our activities can be identified from the various manuals, policies, procedures, regulations, and contracts that we abide by and implement throughout our activities. Governance aspects are also evident from the communication and feedback channels, as Boubyan National receives feedback from the branch manager / department manager and staff during the handing over of projects.

4.2 Brand Power and Recognition

(103-1, 103-2)

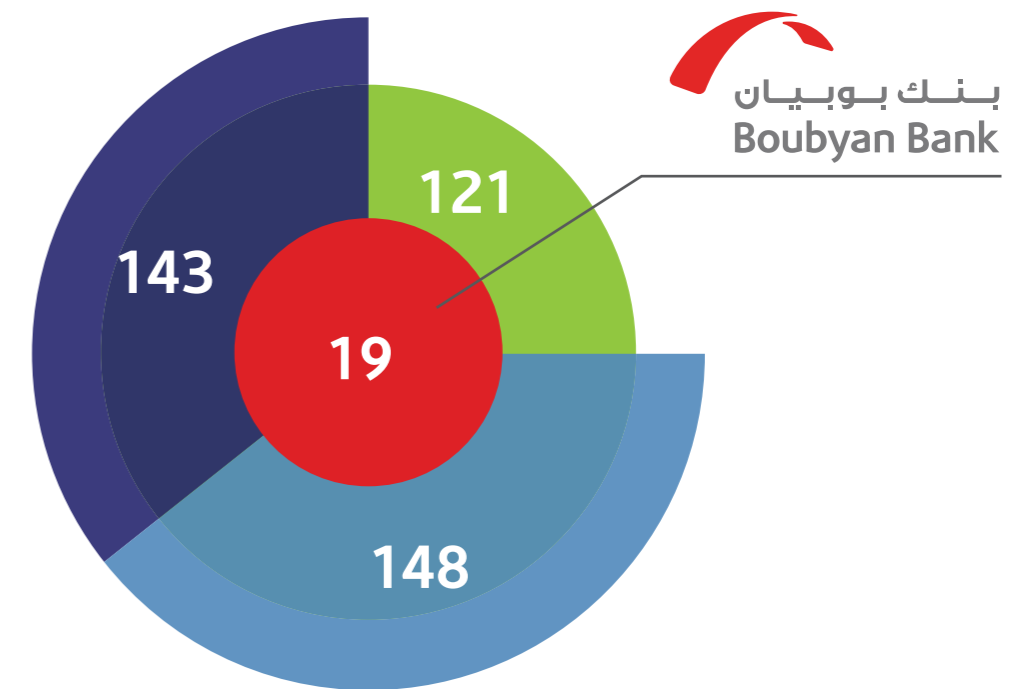
Brand power and recognition is relevant in sustainability due to its connection to and reflection of overall customer satisfaction, experience, and perception. Branding accordingly plays a strong role in ensuring that an organization remains sustainable, continues to achieve awards and recognitions, and engages customers. More information about branding and recognition is given in this section.

One of Boubyan's strengths is its brand power and recognition, for which brand assessments / brand audits are periodically (yearly) conducted, and it continuously aims to improve its brand

power. This includes the brand tracker survey, conducted on a yearly basis, where many branding indicators are measured and assessed, including top of mind (TOM), consideration, awareness, and brand power. Note that brand power is assessed using the Kantar Millward Brown Brand Power model, which considers salience, different, and meaningful indicators.

Figure 4.2 illustrates the Brand Power rating results regarding 2020. The results show that Boubyan had the second-highest brand power compared to its industry peers in Kuwait. Boubyan had achieved a brand power rating of 19.0, with 143 in Meaningful, 148 in Different, and 121 in salience categories.

Figure 4.2: Brand Power Score (2020)



Regarding plans for brand power, Boubyan aims to become a top-tier wealth management hub for the GCC and high-net-worth-individuals (HNWI), especially through the introduction of digital platforms and successful products. Boubyan aims to build up an offshore proposition.

and has received numerous other awards throughout the years to strengthen the brand value. Also, social media comments are closely monitored for any indications / impacts on branding, and quick action is taken on any issues.

Boubyan achieved a number of awards and recognitions in 2019 and 2020, which are listed as follows.

4.2.1 Awards and Recognitions

Awards are often a good indicator of excellence and solidity of practices. In this regard, Boubyan has participated in the Service Hero Awards,



Best Islamic Digital Bank - Global
Boubyan Bank (2019 ,2020)

5th Safest Bank in GCC
Boubyan Bank (2020)

Best Islamic Digital Bank - Middle East
Boubyan Bank (2019)

Best Islamic Digital Bank - Kuwait
Boubyan Bank (2019)

Best Islamic Bank - Kuwait
Boubyan Bank (2019)

Most Innovative Digital Bank - Kuwait
Boubyan Bank (2019)

Best Mobile Banking App - Kuwait
Boubyan Bank (2019)



First Place Award in Customer Service - Kuwait
Boubyan Bank (2019)

Best Islamic Bank in Customer Service - Kuwait
Boubyan Bank (2019)

Best Islamic Bank in a Decade - Kuwait
Boubyan Bank (2019)

Kuwait's Best Islamic Bank in Customer Service
Boubyan Bank (2020)



Best Social Humanitarian Initiative - Noor Boubyan
Best Social Humanitarian Initiative of private sector institutions at the GCC. (2019)

Replacement & Nationalization of Manpower - GCC
Boubyan Bank won Replacement and Nationalization of Manpower Award for the fifth year in a row. (2019)

TheBanker

Best Islamic Bank in Kuwait
Boubyan Bank has been named the Best Islamic Bank in Kuwait for 3rd year in row. (2020)

Moneyfacts

Best Fixed Account Provider BLME (2019 ,2020)



Best Internal Audit Group - Kuwait & GCC
Boubyan Bank (2019)

بنك بوبيان
Boubyan Bank

Awards and Recognitions

4.3 Customer Experience

(102-2, 102-6, 103-1, 103-2, 416)

Customer experience contributes to the sustainability of an organization, as an enhanced experience by this valuable stakeholder group comes with a range of win-win situations and benefits for those parties involved. More information about Boubyan's customer experience aspects is given in this section.

As customers are important stakeholders for Boubyan, it is important to continuously assess and improve their experience. Internal studies by the Customer Experience Management (CXM) Department specifically focus on customer satisfaction as a main indicator. For 2020, the Business Banking Department achieved a result of no less than 95%. Additionally, during the last 3 months, we achieved a result of 100%.

Boubyan conducts studies with external parties to measure the level of customer service, satisfaction, and loyalty. One customer survey that was conducted was the Market Performance Index (MPI) by Ipsos for Boubyan. The objective was to carry out a market survey to understand the level of awareness of the top financial institutions in Kuwait, to measure the financial institutions on the 3 metrics of (1) best customer services, (2) trustworthiness, and (3) thinks-ahead. This survey is conducted every quarter, with a sample size of 600 to 650 customers, selected at random. The survey successfully represented a range of demographics, including age and gender, while focusing on local nationality (Kuwaitis). The results of the MPI survey are provided in Figure 4.3a as follows.

Figure 4.3a: Market Performance Index (MPI) Results

Among Kuwaitis	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Awareness (Top of Mind - %)	25%	25%	26%	27%
Trustworthy (Mean score out of 10)	8.0	8.4	8.0	8.0
Best Customer Service (Mean score out of 10)	8.0	8.4	8.0	8.0

In addition, the MPI survey conveyed a number of other results. Namely, Figure 4.3b shows that Boubyan has high customer retention rates compared to peers, which also increased throughout the year, reaching 88%. Note that this has increased throughout the year despite challenges of COVID-19. Figure 4.3c shows the

trustworthiness, with relatively high figures for Boubyan compared to peers, reaching a mean score of 8/10 as the latest figure. Next is Figure 4.3d, which shows the best customer service rating, with similarly relatively high figures for Boubyan compared to peers, also reaching a mean score of 8/10.

Figure 4.3b: Boubyan Customer Retention

Likelihood of staying with Boubyan (percentage):

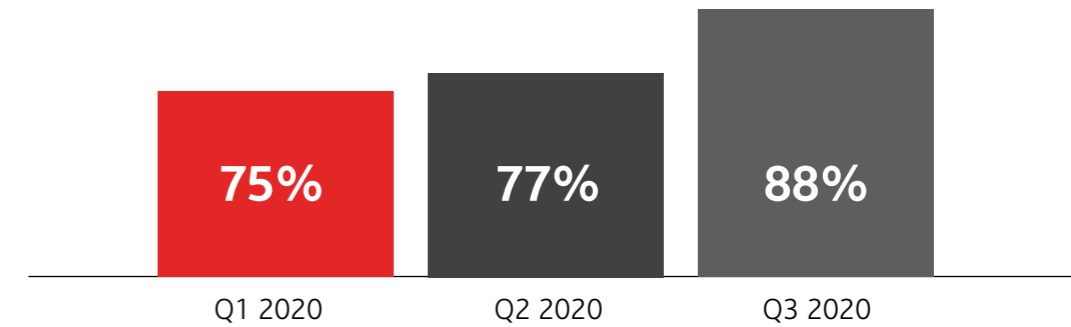


Figure 4.3c: Boubyan Trustworthiness Score

Trustworthy Bank (mean score – 10point scale rating):

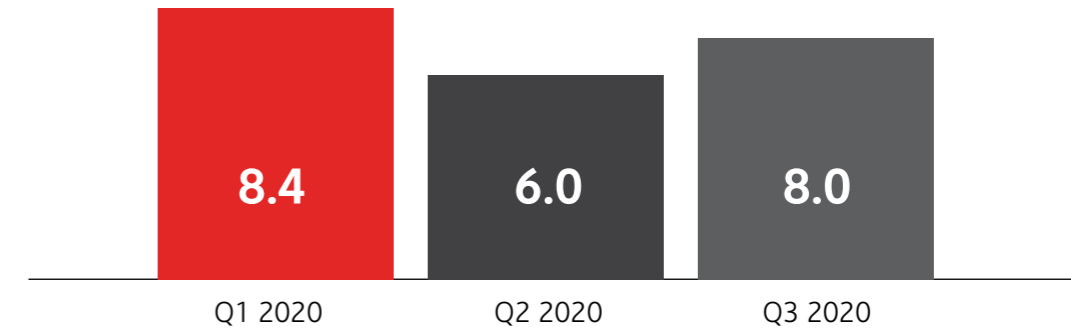
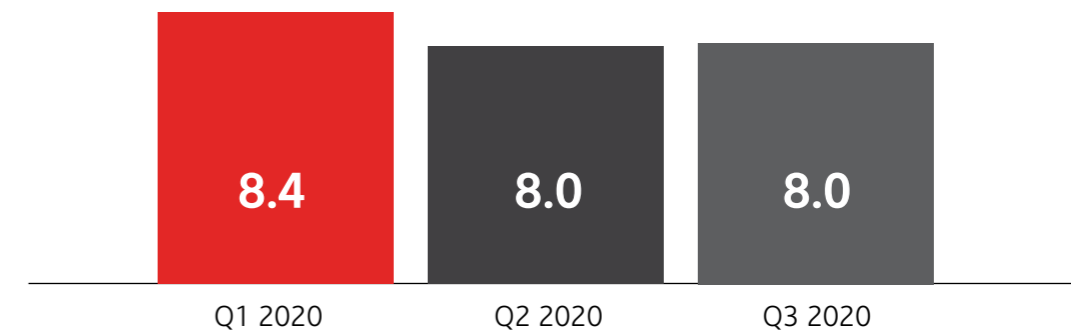


Figure 4.3d: Boubyan Best Customer Service Score

Best customer service (mean score – 10point scale rating):



SROI Topic	SROI Level	Interpretation	Value Outcomes
Best Customer Service through Market Performance Index (MPI)	High	1.64 KD sustainability value for each 1 KD invested.	*Satisfaction value

Customer Statistics

Boubyan Bank also records the number of active customers, reported for 2020 in Figure 4.3e. The customers reported have been broken down further according to age group and service type. Additionally, a summary of customer numbers has been provided in Figure 4.3f, showing around 8.5% change increase in number of customers from 2019 and 2020. This shows sustainable growth, and reflects

Boubyan's readiness and resilience, covering all operational and client-facing matters. In addition, this shows that Boubyan has strong / well-defined products and services that cater for all age groups. This has been reached based on a clear understanding and assessment of their needs and quality of services. Accordingly, the Figure below shows the diversity in age and how Boubyan manages to attract all age groups through tailored products.

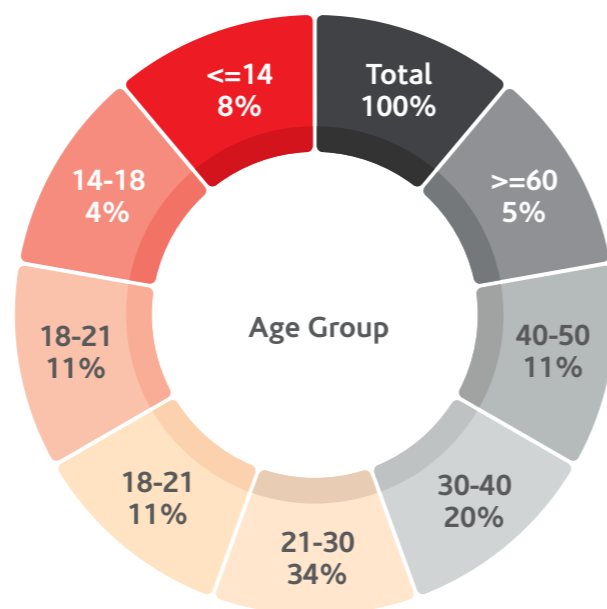


Figure 4.3e: Boubyan Customers December 2020 ,19

Figure 4.3f: Boubyan Customers - Summary

2019	2020	Additional	%-Change
385,267	385,267	+30,301	+8.5%

Case Study

Customers Loans During COVID-19

Overview:

The COVID-19 pandemic created a widespread global shock and a severe economic slowdown. There has been a slowdown in all economic sectors worldwide and more than one third of the global population was placed under lockdown. Kuwait went through a lockdown that slowed down consumer spending and closed many small businesses. Therefore, the Kuwait Banking Association (KBA) advised implementing a 6-month payment deferment for loans. The 6-month deferment was offered to customers with personal finance (PF) arrangements and/or credit cards.

Objective

The objective was to support employees who have been affected by the pandemic—whether by losing their job, having a cut in their salary, or small business owners who have seen decreased cash-flow or consumer spending during this period. The deferment of the PF or credit cards is without an extra fee, or any increase on profit.

Outcomes:

The customers had 6 months' deferment of all installments with Boubyan by default (including Kuwaitis and non-Kuwaitis), and there was also a mechanism for customers who wish to continue paying their installments to be able to do so. In addition, Boubyan, after the lockdown, offered a 3-month grace-period (if desired) to all customers applying for new finance without increasing the profit amount. This campaign remained for 6 weeks.

In addition, note that the payment deferral was also conducted at BLME. Specifically, in response to the COVID-19 pandemic, BLME developed a process to collate, review and approve payment deferral requests from customers. This process was developed having regard to regulatory guidance, and in order to support our clients during what is an exceptionally challenging period.

Special Needs Accommodations

Regarding special needs accommodations and all related setups in branches and facilities, Boubyan went beyond the CBK requirements. Specifically, Boubyan ensures that all branches and sites are equipped with special needs customers accommodations, including inclined flat entrances, safe automatic doors, and

first priority service for special needs, as per Figure 4.3g. In addition, at BLME, special needs accommodations are supported and mandated by the Vulnerable Customers section of our Treating Customers Fairly (TCF) Policy. Note, however, that BLME does not have any branches for customers to visit since it is not a retail bank.

Figure 4.3g: Special Needs Accommodations



Customer Charter

In addition, Boubyan abides by a Customer Charter published on our website, which is provided in Figure 4.3h below. The charter both communicates Boubyan's promise to its customers, specifically highlighting our commitment to excellence, and sets out what is expected from the customer.

- We will always provide YOU with innovative channels that allow you to bank conveniently and securely, anytime, anywhere.
- We will always provide YOU with Sharia'a-compliant products that cater to your needs and exceed your expectations.

Figure 4.3h: Boubyan Customer Charter

"Our commitment to **YOU** in achieving excellence in everything we do

- We will always serve YOU in a friendly, courteous and professional manner.
- We will always provide YOU with accurate information, honest advice and protect your wealth and privacy.
- We will always listen to YOU carefully, and will always take prompt action on feedback, inquiries and complaints.

What we expect from YOU

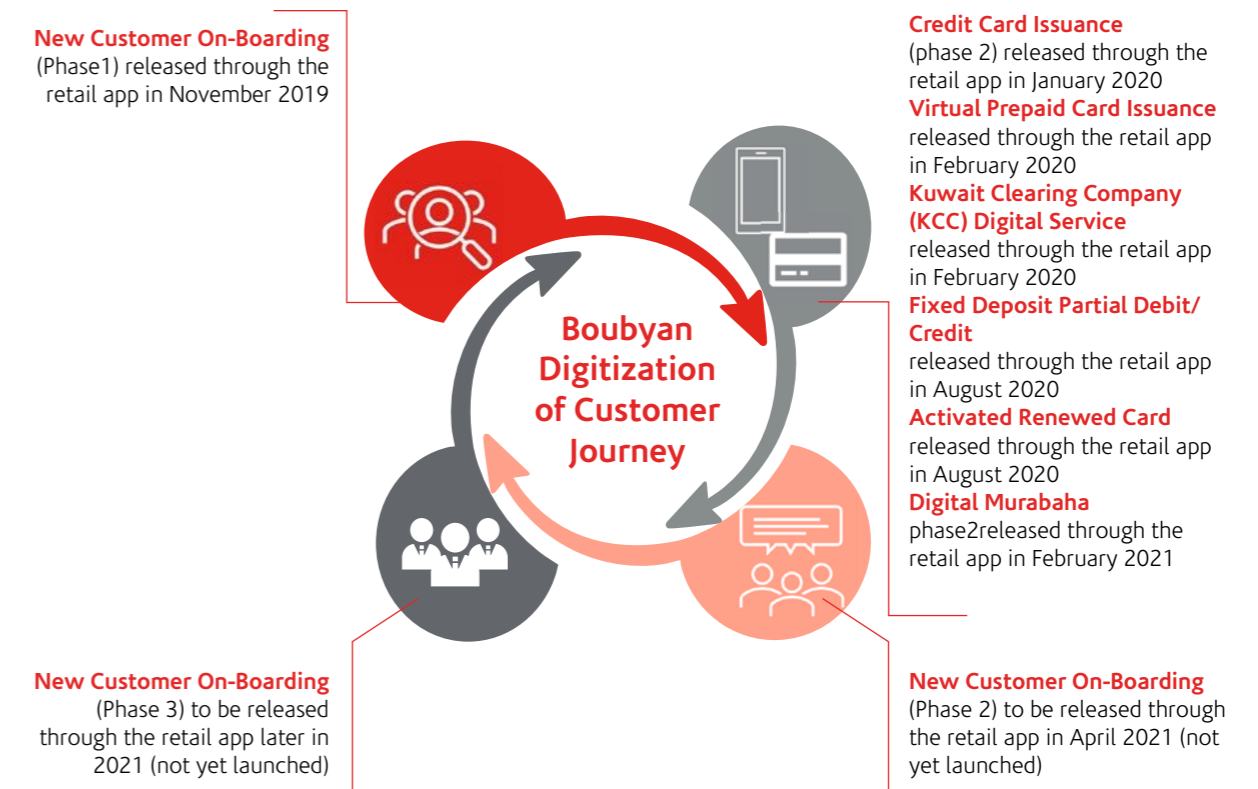
- To be part of the Boubyan Bank family. Our family treats all with courtesy and respect.
- To provide us with timely and accurate information. We need it to serve you better.
- To provide us with candid feedback, both positive and negative. Your feedback drives our journey towards perfection.

4.3.1 Customer Journey

In line with the role of customer experience in sustainability, the customer journey specifically looks at the part of the experience that involves the steps that a customer takes when experiencing an organization's product or service. Similar to customer experience, the customer journey is just as important to enhance to ensure sustainable marketplace impact. More information about Boubyan's customer journey aspects is given in this section.

Boubyan assesses and reports on the customer journey that clients undertake when dealing with us. Boubyan's customer journey has been undergoing various digital / automation enhancements, which have been conducted according to a Digital Group Roadmap, in cooperation with various departments across Boubyan. The recent and planned digitization initiatives of the customer journey are provided in Figure 4.3.1a as follows.

Figure 4.3.1a: The recent and planned digitization initiatives of the customer journey



Case Study

Digital Transformation of our Customer's Journey - Retail Mobile App

Overview:

Boubyan during 2020 introduced many features and systems to reduce customer visits to the branches, or to reduce the number of calls. A main alternative digital channel for the customers that was developed is the Retail Mobile App. Features of the Application include the following:

KCC eDividends:

It enables the user to register for receiving his/her stock dividends from the Kuwait stock exchange. It also provides the ability to automatically credit one of the customer accounts. Previously, this service was only available for the user via a branch visit.

Fixed Deposit (FD) - Partial Deposit/ Withdrawal:

Boubyan has several fixed deposit products, and the retail app allows the user to partially withdraw or make a deposit without breaking the fixed deposit itself. Previously, such service was only available via branch visit. Starting from mid of 2020, Boubyan customers through the retail app now are able to use this feature.

Block/unblock temporary or permanent Debit/Credit Card:

Through the retail app, customers can choose to block/unblock their debit/credit cards, either temporarily or permanently. Unblocking temporary blocks was previously only available through the call center and branches.

Activate Dormant Account:

It gives users the ability to activate a suspended account. Boubyan has an automated process to suspend a customer account in case there are no financial activities over 1 year. Previously, to activate a suspended account, customers had to visit a branch to do so. Now, with such functionality available in the app, the user can directly activate his/her suspended account.

Activate New Credit Card issued through the DST / automated teller machine (ATM) / interactive teller machine (ITM):

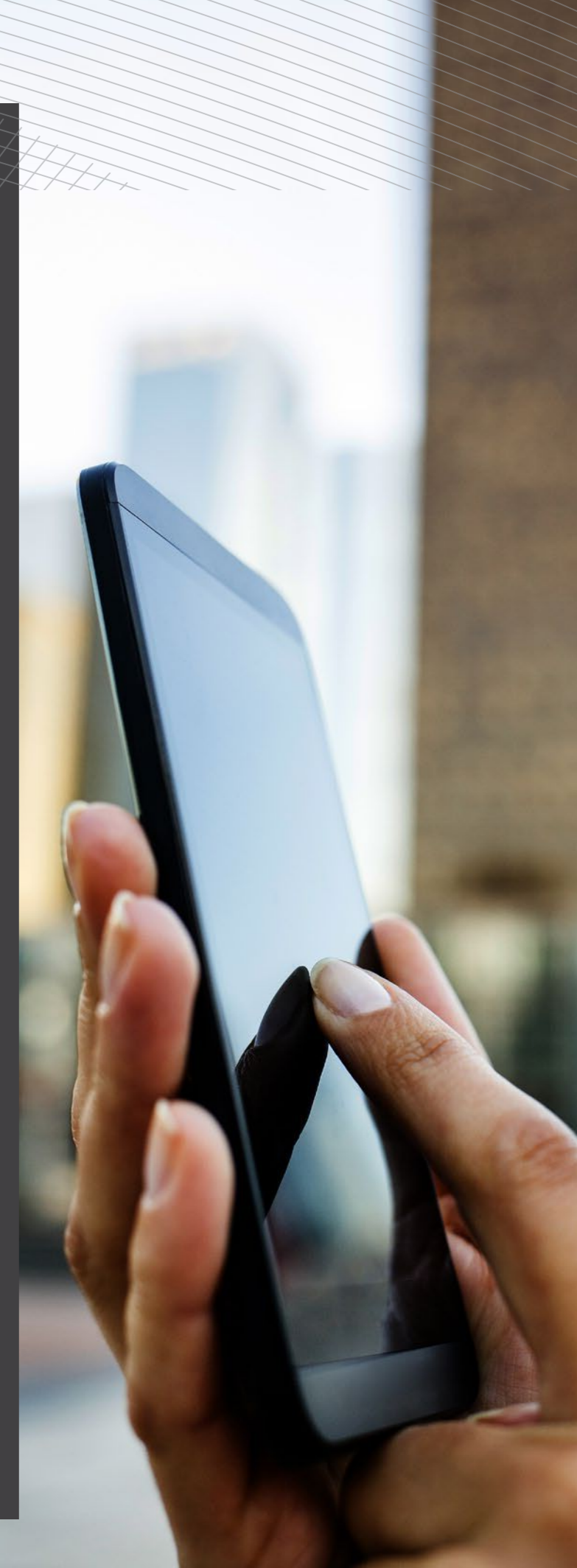
Boubyan has 3 channels, other than the branches, to receive the issued credit card. Previously whenever a customer issued a card through DST/ITM/ATM, he/she had to call the call center or visit a branch to activate the new credit card. Now, whenever a customer issues a card through DST/ITM/ATM, they can simply access the app to activate the card.

Objective:

The objective of the retail mobile app was to make Boubyan's services and products more convenient, efficient, and accessible to customers.

Outcomes:

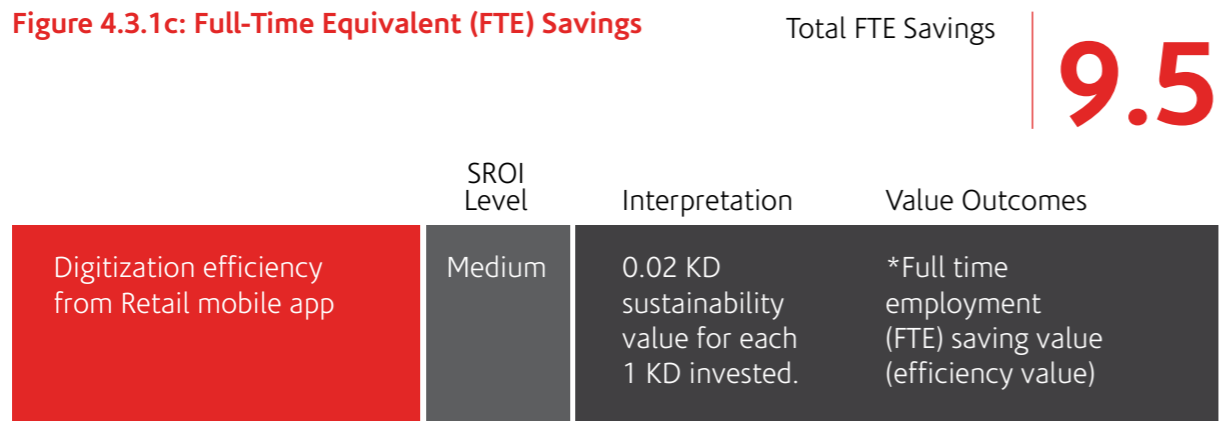
The objectives of the retail mobile app have been met by making Boubyan's services and products more convenient, efficient, and accessible to customers.



Overall, the successes of the Retail Mobile App and the Msa3ed chatbot on the customer journey can be measured and assessed, especially in terms of the full-time equivalent (FTE) saving KPIs that Boubyan has set, achievement of which is the responsibility of Boubyan's Digital

Group. The total FTE savings across various elements are calculated as 9.5, as per Figure 4.3.1c as follows. Further information about digital directions is provided in Chapter 7: Impacting through Innovation and Digitization.

Figure 4.3.1c: Full-Time Equivalent (FTE) Savings

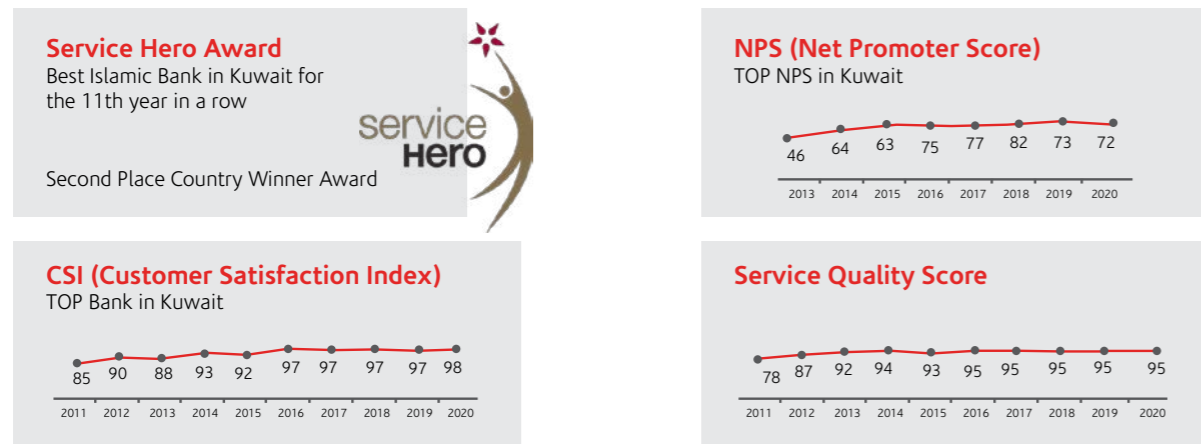


4.3.2 Customer Satisfaction

Customer satisfaction is important to be assessed and reported at Boubyan, since customers are important stakeholders to us. After all, satisfied customers ensure positive outcomes for both Boubyan and the customers themselves benefitting from our products and services. More information about our customer satisfaction approach is given in this section.

Over the past several years, we have ensured customer satisfaction and service. Since our activities are mainly customer-centric, Boubyan has made sure to advance all services, supporting our customers throughout the years to achieve high customer satisfaction results. The outcomes are provided in Figure 4.3.2a, reflecting a range of efforts contributed by our internal stakeholders.

Figure 4.3.2a: Boubyan Customer Satisfaction Overview



Boubyan aims to innovate and offer unique products and cost-conscious services through secure digital channels, resulting in value addition for the clients. Useful KPIs used to assess customer satisfaction include the customer satisfaction index (CSI) and the Net Promoter Score (NPS). The CSI is used to monitor

and update the yearly action plan by identifying main areas to improve, and is the main source for competitors' service performance monitoring. Boubyan has achieved a CSI score of 98% for the year 2020 (as per Figure 4.3.2b), the highest among its national peers.

Figure 4.3.2b: Customer Satisfaction Index (CSI)



Figure X: Net Promoter Score (NPS)



In addition to CSI and NPS, other ways that Boubyan measures and assesses customer satisfaction include: online surveys, telephone surveys, call monitoring, internal customer satisfaction survey by IT, and mystery shopping.

Figure 4.3.2c displays the evaluations (and associated roles) conducted with the number of evaluations and customer results for each. The result was a total of 8,471 evaluations conducted, and an average score of 93.75% across the evaluations.

Figure 4.3.2c: Customers Evaluation Results

Evaluation / Role	# of Evaluations	Score	Evaluation / Role	# of Evaluations	Score
6M+	655	88.40%	Service Teller	10	95.70%
RM	655	88.40%	Teller	286	91.34%
Call Monitoring	2034	92.65%	New Customer Survey		
Contact Center Agents	2034	92.65%	(Welcome Call)	3935	96.28%
Customer Satisfaction	29	93.46%	Auto Sales	966	97.87%
Retention	15	91.56%	Direct Sales	1622	95.13%
Customer Care Unit	14	95.49%	Private	106	98.27%
Mystery Shopping	1818	91.43%	Relationship Manager	204	96.19%
Auto Sales	105	90.69%	Relationship Officer	915	96.10%
Contact Center Agents	418	92.29%	Business Banking	122	98.65%
Relationship Manager	177	95.91%			
Relationship Officer	481	91.89%			
Service Officer	341	87.59%			
			Grand Total	8471	93.75%

Amid the changes caused by COVID-19 Boubyan has organized a number of initiatives reflecting the need to help curb the spread of the virus. Boubyan continued its innovative approach in holding many events and activities, which were directly related to customers, and managed to hold them virtually through remote communication applications (eg. Zoom, Microsoft Teams, etc.). This approach is expected to continue over the upcoming years.

Specifically looking at Boubyan Takaful, its approach to keeping customers satisfied in light of COVID-19 developments has included:

- Adapting some insurance products
- Issuing certain insurance products remotely
- Activating and adopting the BCM plan according to the new circumstances
- Covering COVID-19 in travel plans
- Offering more flexible payment terms to clients
- Accelerating any payments due to any customers / clients

Specifically for BLME, we have communicated various messages to our clients regarding safety, using emails and updates on our website. Many messages were also communicated straight from BLME's CEO. The Customer Complaints unit is also active in communicating with clients and receiving any feedback or queries.

4.3.3 Complaints Management

Boubyan has developed a customer complaints management mechanism that is often assessed, improved, and reported. This mechanism has especially been useful in adequately managing customer experience and ensuring customer satisfaction. Some KPIs considered include

the time required for solving complaints (turnaround), complaints closing, and call-center waiting times. Accordingly, Figure 4.3.3a shows the number of complaints to both the Complaint Unit, the Customer Care Unit, and BLME. Note that as a result, the number of complaints to both units have decreased, seeing an overall decrease of -75.1% change of complaints overall.

Figure 4.3.3a: Number of customer complaints

	2019	2020	%-Change
Complaint Unit	77	61	-20.8%
Customer Care Unit	4,050	957	-76.4%
BLME	34	19	-44.1%
Total	4,161	1,037	-75.1%

Another KPI used to assess customer complaints management is the average waiting time for customers while contacting the customer call center. These are provided in Figure 4.3.3b as follows. Note that the slight increase of average waiting time is attributable to COVID-19

challenges that similarly impacted the whole sector, especially concerning remote working from home, laptop provision, and the number of agents assigned. However, this was quickly mitigated by sufficient laptop provision.

Figure 4.3.3b: Customer Complaints Waiting times



4.3.4 Customer Privacy and Security

(103-1, 103-2, 418-1)

A vital element for Boubyan to continuously ensure, assess, and report is customer privacy and security of data (ie. protecting against breaches and data leaks). We ensure this through a range of technological capabilities.

One of the KPIs used to assess data privacy and security is the number of data leaks, which have successfully been kept at Zero (0), as per Figure 4.3.4. Note that our internal controls and line of defense on data privacy

and security ensure that there are no data leaks. Our staff are also committed to the highest values of data protection and integrity, and our internal controls on user access and security are adequately in place. Specifically, the Information Technology Group (ITG) Department is implementing a range of security standards based on the Information Security Policy and related policies and procedures, in line with the International Standards Organization (ISO) standards and Payment Card Industry (PCI) standards.

Figure 4.3.4: Number of Data Leaks



4.4 Sustainable Procurement

(102-9, 102-10, 103-1, 103-2, 204-1, 308-2, 414-1)

As sustainability is a “Gene and Core Value” for us, we continue to ensure that our procurement practices exhibit similar sustainability values. Integrating these values into an organization’s supply chain and vendor relations and practices often impact the overall sustainability performance of the organization. More information about our sustainable procurement practices is given in this section.

At Boubyan, we focus on local procurement, with the approach of giving back to the community in which we operate. Prioritization for suppliers includes local vendors, quality, delivery, and price. In line with this, Figure 4.4a shows our local and foreign procurement figures expressed as both number and percent of suppliers per type. The result shows a priority for local procurement with Boubyan procuring locally from 81% of its vendors. This priority to local procurement is further reflected in Figure 4.4b, where procurement expenditure to local suppliers was 67% of the total expenditure to suppliers.

Figure 4.4a: Local vs. Foreign Number of Suppliers

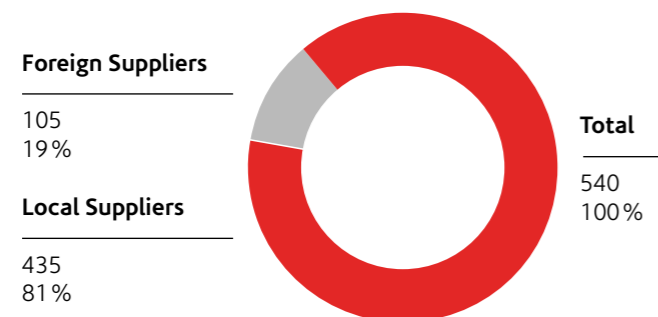


Figure 4.4b: Local vs. Foreign Suppliers Expenditure

Local Suppliers Expenditure (KD)	Foreign Suppliers Expenditure (KD)	Total Suppliers Expenditure (KD)
21,517,578	10,750,119	32,267,698
67%	33%	100%

In addition to the focus on local procurement, other social aspects considered through our supply chain is adherence to human rights quality and standards. In this regard, we check that our vendors treat their employees fairly and that their rights are conserved, especially regarding salary payments, sick leave, annual leave, etc.

In addition to social aspects, we identify the environmental aspects of our procurement. For example, Boubyan has contracted with a supplier to provide photo-cell tap faucets in the headquarters, which would reduce the water consumption.








5 | Managing our Human Capital

Boubyan recognizes that sustainability is crucial in the workplace, especially as it forms one of the dimensions of sustainability (MEWC). Human capital matters touch on social and governance elements as part of ESG, and pertain to various other national and international sustainability frameworks, disclosures, and drivers. As such, the workplace is a Sustainability – “Gene and Core Value” for Boubyan, forming a vital cornerstone of our sustainable reporting. Accordingly, we report on aspects that include gender and age diversity, Kuwaitization, retention and turnover, employee engagement, and employee rights, among others.

Further emphasizing the value of workplace elements, we have derived 5 material topics related to human resources upon engagement with our stakeholders.

SUSTAINABLE DEVELOPMENT GOALS

-  No Poverty
-  Good Health and Well-Being
-  Gender Equality
-  Decent Work and Economic Growth
-  Reduced Inequalities

5.1 Employee Diversity and Inclusion

(102-7, 102-8, 202-2, 103-1, 405-1, 406-1)

As part of our sustainability / ESG visionary approach, we continuously measure the diversity aspects of our workforce, and aim to make our workplace as inclusive as possible. Diversity aspects specifically focus on gender, age, and nationality demographics. Accordingly, Boubyan continues to provide equal employment opportunity, in line with our Dignity at Work Policy. As a result, 0 cases of workplace discrimination incidents have been recorded at Boubyan. More information about our workplace diversity and inclusion is given in this section.

Gender Diversity

Looking at gender diversity, female employees represent about 26% of our total employees across all subsidiaries (481 females), out of which 17.2% female managers and above (43 females), and 7% female executive managers and above (1 female). Concerning the Board of Directors, Boubyan's Board is 100% male Board members while BLME Board of Directors has 1 female member.

Figure 5.1a displays the number of employees per gender, broken down per entity and in total. The gender implications show that Boubyan's workforce consisted of 490 females in 2019, and 481 females in 2020.

Figure 5.1a: Boubyan Employees per Gender

Year	2020					2019				
	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	BLME	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	BLME
Men	1139	32	74	80	76	1122	30	86	84	77
Women	396	5	22	8	50	392	7	36	9	46
Total per subsidiary	1535	37	96	88	126	1514	37	122	93	123
Total per group	1,882					1,889				

*Note: BLME was not acquired by Boubyan during 2019.



26%

Boubyan female employees



74%

Boubyan male employees

SROI Topic	SROI Level	Interpretation	Value Outcomes
Female employment:	High	1.21 KD sustainability value for each 1 KD invested.	*Female employment value

Boubyan is committed to further empowering women in the workforce, especially through creating an environment of non-discrimination. To this end, we have open opportunities for all employees regardless of gender, and have various initiatives, including the Female Diwaniya gathering for females in the Branch Network. This has shown to be a supporting platform to help grow and nurture female development.

We are also growing our female pipeline in the workforce, especially from junior to senior management. We have appointed a female Chief Strategy Officer at a senior level, as well as female appointments at deputy general manager (DGM) level. Concerning our various employee-related programs, we ensure that we have at least 50% females in program nominations, and 60% to 70% program nominations for Kuwait Fund for the Advancement of Science (KFAS) abroad programs.

For BLME, women empowerment is reflected in a number of ways, which include providing enhanced maternity package, ensuring training and development opportunities, participating in the HerCapital Programme by the UK Sponsors for Educational Opportunity (SEO).

Employment Type Diversity

Another facet of employee diversity is having a range of employee types, including part-time, full-time, and internships—while continuously aiming to take in our employees full-time. The breakdown of employees according to these employment types, expressed in both total and per subsidiary levels, are provided in Figure 5.1b. The results show that the total workforce decreased by 0.37% from 2019 to 2020, though the number of part-time employees increased by 1.

Figure 5.1b: Boubyan Employees per Employment Type

Year	2020					2019				
	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	BLME	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	BLME
Part time	0	0	0	0	5	0	0	0	0	4
Full time	1535	37	96	88	121	1514	37	122	93	119
Total per subsidiary	1535	37	96	88	126	1514	37	122	93	123
Total per group	1,882					1,889				

*Note: BLME was not acquired by Boubyan during 2019.

Age Diversity

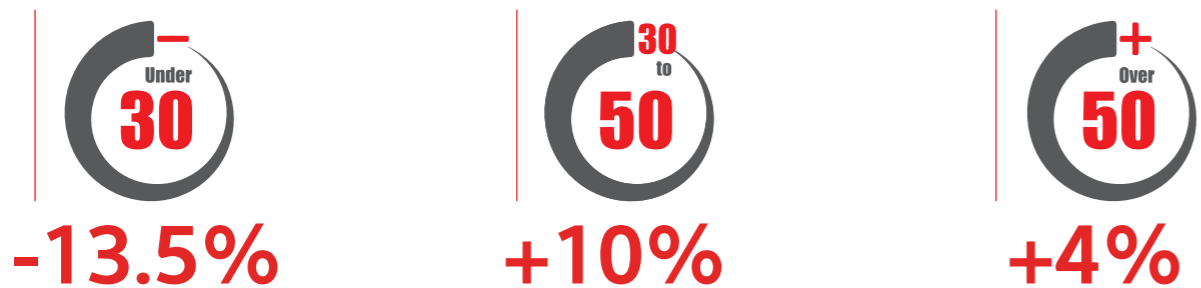
Employee diversity not only covers gender, but other demographic aspects that include age. Boubyan recognizes that there are different skills and advantages to be reaped from each age group, and accordingly records, assesses, and reports the age implications of our

workforce, as reflected in Figure 5.1c below. As a result, compared to 2019, the Under 30 age-group had decreased by -13.5% change, the 30-50 age-group increased by +10% change, and the Over 50 age-group increased by +4% change as summarized in Figure 5.1d.

Figure 5.1c: Boubyan Age Diversity

Year	2020					2019					
	Subsidiary	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	BLME	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	BLME
Age group	Under 30	640	12	11	12	29	736	14	17	17	30
	30-50	838	21	73	63	72	725	19	92	65	67
	Over 50	57	4	12	13	25	53	4	13	11	26

Figure 5.1d: Boubyan Age Diversity Summary



5.2 National Empowerment

(102-8, 103-1, 103-2, 202-2, 404-1, 404-2)

Boubyan is constantly considering national empowerment when managing its workforce, specifically concerning strategies to strike a balance between the diversity benefits of varied nationalities in the workforce, while also attracting, hiring, retaining, and developing local employees. The empowerment of the national workforce is viewed as both a compliance matter and as an initiative from Boubyan to give back to and support the community in which it operates. For Kuwait operations, progress in this domain is assessed through the Kuwaitization rate, and the percentage of Kuwaitis in managerial positions. More information about our empowerment of the national demographic is given in this section.

Starting with Kuwaiti nationality managerial positions (managers and above), this increased from 53% in 2019 to 56% in 2020, which was a -5.7% change increase. As for overall Kuwaitization in Boubyan, that is shown in Figure 5.2a, which gives the number of Kuwaiti and non-Kuwaiti employees across our Kuwait operations—namely Boubyan Bank and the 3 other subsidiaries in Kuwait. As a result, the group-wide Kuwaitization rate is shown as 64.5% in 2019 (from 1,217 Kuwaiti employees), and 64.5% in 2020 (from 1,214 Kuwaiti employees). This shows a slight increase of the group-wide Kuwaitization rate by about -0.2% change.

As a caveat, note that the number of Kuwaiti employees for Boubyan Bank itself has remained the same at 1,178 Kuwait employees in both 2019 and 2020, recording about 77% Kuwaitization rate at Boubyan Bank for 2020 as displayed in Figure 5.2b.

Figure 5.2a: Boubyan Workforce per Nationality

Year	2020					2019					
	Subsidiary	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	Total	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	Total
Nationality	Kuwaiti	1178	23	11	2	1,214	1178	21	18	0	1,217
	Non-Kuwaiti	357	14	85	86	542	336	16	104	93	547

Figure 5.2b: Boubyan Bank Kuwaitization



SROI Topic	SROI Level	Interpretation	Value Outcomes
Kuwaitization - Boubyan Bank	High	1.33 KD sustainability value for each 1 KWD invested.	*Employment value

To support this direction of national empowerment, Boubyan created the Talents Development internal department, and is further attracting Kuwaiti talent through its brand and the Employee Value Proposition. Externally, the brand and the values that Boubyan stands for appeals to the wider market, and to this end, we are able to source and acquire a variety of Kuwaiti talent. This is present in our Employee Value Proposition, and the wider financial and non-financial benefits that we offer. Some opportunities we offer include a Masters of Business Administration (MBA) opportunity funded by Boubyan, with

no tie-back, as well as opportunities for about 150 internships per year. Other initiatives we conducted also include the MAP program to attract bright talent, building relationships with local universities during career days, as well as partnering with the Manpower and Government Restructuring Program (MGRP) to bring in new talented Kuwaiti recruits. In addition, Boubyan has conducted an external hackathon with the International Business Machines (IBM) corporation and the Public Institution for Social Security (PIFSS) for Kuwaiti digital talent.

5.3 Performance Management

(102-38)

An important way that Boubyan is managing its employees is by developing and implementing a fair and structured performance management process, especially linked to KPIs, compensations, balanced scorecard, and career paths. More information about our performance management of our workplace is provided in this section.

Employee Handbook and the Performance and Capability Process. It is accordingly stipulated that the appraisal process is conducted 2 times per year—one in the mid-year, and once during year-end. The probation period also has its own evaluation process.

Note that this appraisal process was able to continue despite the challenges presented by COVID-19. Employees carried on working remotely to complete the agreed goals for 2020 as per the performance plan (including sales and services), which were then linked to the balanced scorecard.

At Boubyan, the performance management process involves a number of departments and governance bodies, including department heads, the HR Department, and the Board Nomination and Remuneration Committee (BNRC). Furthermore, the performance management process is mainly governed by the

Compensation and Remuneration

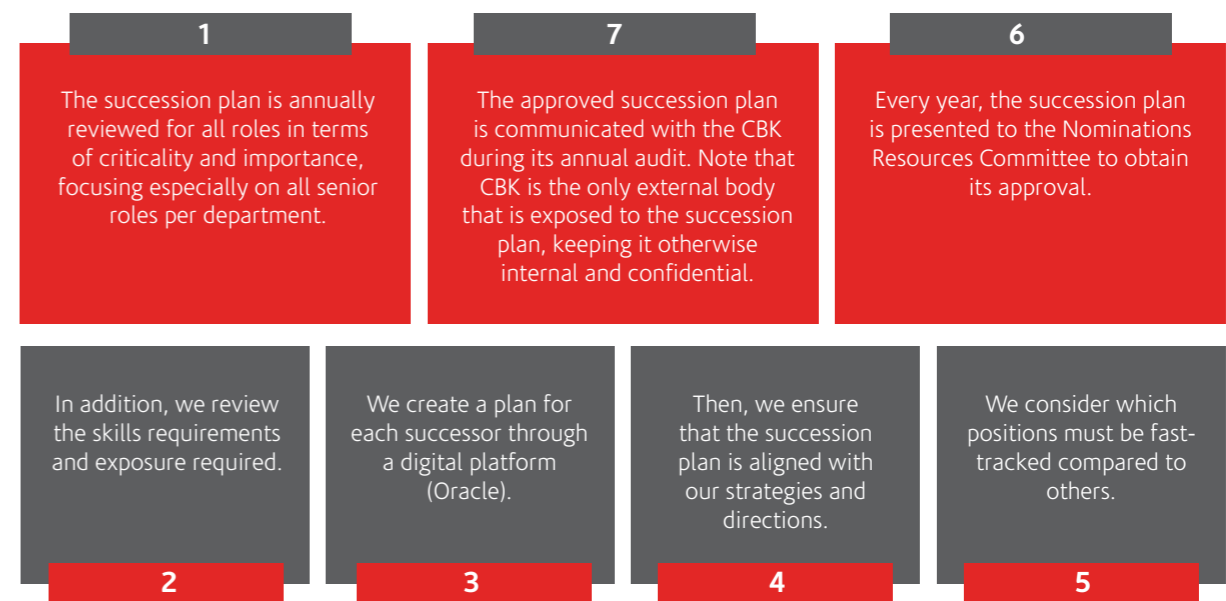
Compensation and remuneration is provided to Boubyan staff in line with related compensation policies, as well as the Employee Incentive Plan, and (in BLME's case) Remuneration Framework and the Remuneration Policy Statement. Also, Boubyan discloses Board and executive management compensation in its annual governance report (and as part of annual reporting), in compliance with Central Bank of Kuwait (CBK) requirements. For the Board, Boubyan specifies the remuneration provided for the Chairman, Board Executive Committee (BEC) members, and the non-BEC members. For executive management, Boubyan discloses the aggregate compensation rather than per

member, which is also in compliance with CBK requirements. As for BLME, compensation and remuneration matters are governed by the Remuneration Framework and the Remuneration Policy Statement, built around a set of principles of remuneration.

Succession Planning

Part of performance management is also ensuring that performance and business functions are sustained now and into the future, which is made possible through a solid succession plan. Accordingly, Boubyan is committed to an active succession plan approach, which follows the process displayed in Figure 5.3 below.

Figure 5.3: Boubyan Succession Plan Process



5.4 Capacity Building

(102-8, 103-1, 103-2, 205-2, 404-1, 404-2)

Capacity building through the provision of training and development opportunities to employees is critical for Boubyan to ensure a sustainable business model. Accordingly, we record the training courses and hours provided to employees each year. Boubyan conducts employee feedback regarding the training provided, and also provides employees with a Guide for Learning and Development. More information about how we support our

employees through training and development opportunities is provided in this section.

Figure 5.4a provides a summary of the training hours and courses data, though more details about training and the specific courses can be found in the annexes. Specifically, Annex 1 lists Boubyan's training for 2020, Annex 2 lists the training for 2019, and Annex 3 provides the training conducted for BLME employees for both 2019 and 2020. As a result, a total 46,710 training hours across the 224 different training courses provided were recorded for 2020.

Figure 5.4a: Training Courses and Hours

2020		2019	
# of Courses	Training Hours	# of Courses	Training Hours
224	46,710	379	66,421

SROI Topic	SROI Level	Interpretation	Value Outcomes
Training	Very High	14.41 KD sustainability value for each 1 KD invested.	*Training value

For BLME, it reports information about training and exam certification for the Islamic Finance Qualification (IFQ). As of 2020, 24% of BLME employees are certified with the IFQ, while a further 13% have attended the training but have yet to pass the exam—as the next cohort is scheduled for May 2021.

Specifically looking at human rights training, this is often a disclosure in sustainability reporting. Accordingly, Boubyan does not yet have training for this specific topic, though other topics indirectly tackle it. For example, for BLME, one of the e-learning training modules is titled “Preventing Discrimination & Harassment,”

which is completed by all employees. The same platform also contains financial ethics training modules, which contain some human rights elements.

Youth Development

While training and development for Boubyan employees is important, Boubyan is also committed to youth development through capacity building —ie. providing internship opportunities and hiring recently qualified university graduates. The number of these new graduates in Boubyan’s workforce is displayed in Figure 5.4b per subsidiary and in total. The result shows 88 new, recently qualified university graduates in Boubyan in 2020.

Figure 5.4b: Fresh University Graduates

Year	2020				
Subsidiary	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	BLME
Number of fresh graduates per subsidiary	87	2	0	1	3
Total number of fresh graduates per group	88				

SROI Topic	SROI Level	Interpretation	Value Outcomes
Fresh graduates employment:	High	1.33 KD sustainability value for each 1 KD invested.	*Employment value

As for internships, Figure 5.4c displays the number of interns per subsidiary, and total per year. The result is 24 interns in 2020 the majority

of whom intern with Boubyan Bank. Interns approaching Boubyan are especially interested in getting exposure to an Islamic Bank.

Figure 5.4c: Internships

Year	2020				
Subsidiary	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	BLME
Number of interns per subsidiary	19	0	0	0	5
Total number of interns per group	24				

5.5 Retention and Turnover

(102-8, 401-1)

Retention and turnover often serve as important indicators as to how well organizations manage their employees, ultimately aiming for optimal levels of high employee retention and low employee turnover. This is especially important as this type of performance would reflect a strong adherence to a fair and equitable work environment and conditions that encourage employees to stay, rather than facing otherwise costly and challenging turnover amounts. Through Boubyan’s management of its human capital, these aspects are considered. Accordingly, we report our figures related to retention and turnover, and our resulting impacts in this area are also covered in this section.

Boubyan’s retention and turnover indicators are reflected in Figure 5.5, which shows the turnover and new hires per subsidiary, and the

totals per year. The result shows an overall workforce size decrease of -0.37% change, a decrease of new hires by -55.1% change, and a decrease of turnover of -41.3% change. Note that this was a successful decrease of turnover, as it indicates a good level of retention among Boubyan’s employees. While most organizations were reducing the number of staff as a response to the COVID-19 challenges, Boubyan hired 173 new employees, and reduced the turnover by a large amount compared to 2019.

In addition, retention is assessed more specifically among employees who have been sponsored to get their Masters of Business Administration (MBA). The result shows that out of the 88 employees sponsored, 51 persons were retained in Boubyan, yielding a 58% retention rate among MBA-sponsored employees.

Figure 5.5: Retention and Turnover

Year	2020					2019				
	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	BLME	Boubyan Bank	Boubyan Capital	Boubyan Takaful	Boubyan National	BLME
Number of new hires employees	149	4	0	2	18	350	9	0	6	20
Number of turnover employees	129	3	5	7	18	236	4	10	4	22
Total of new hires employees per group	173					385				
Total of turnover employees per group	162					276				

Note: BLME was not under Boubyan acquisition during 2019.

5.6 Employee Rights

(102-8, 103-1, 103-2, 401-2)

Adherence to employee rights is important in sustainability, as it reflects our commitment to treat the employees fairly and equitably, providing the rights and labor conditions that they are entitled to. More information about Boubyan's performance concerning employee rights is presented in this section.

Boubyan continuously abides by employee standards and rights, and adheres to the Kuwait Labor Law and related regulations. Through this compliance, we are also indirectly embedding human rights into our employee rights. Employee rights and standards are ensured through various HR policies, including the employee Code of Conduct policy, BLME's Employee Handbook, and BLME's Dignity at Work Policy.

As a result of the COVID-19 pandemic, employee rights would have been infringed in other companies where compensation was cut; however, in Boubyan, the rights were fully adhered to as staff continued to be compensated fully, and with no salary or benefit cuts. The workplace operated as business as usual, with staff working in shifts or alternative days.

Boubyan shows support through women empowerment, especially for mothers, as per Figure 5.6. Accordingly, employees who are mothers working in our branches are allowed to ask permission to take two hours' early leave per day if needed. In addition, female employees in various departments across Boubyan are allowed to work from home for 3 days a week, especially in order to support their children with their studies.



Early leave permissions for mothers:
2 working hours per day



Allowed mothers to work from home:
3 days per week

5.7 Employee Satisfaction and Engagement

(102-8, 102-43)

Having a well-satisfied and engaged workforce contributes to the overall sustainability of an organization now and into the future. More information about Boubyan's performance in ensuring that our workforce is engaged and satisfied is presented in this section.

Boubyan is continuously aiming to keep the workforce engaged and satisfied. For example, every year, Boubyan holds recognition events to reward the best-performing employees in sales and service, which is done for all frontliners, as well as the best performance in back-office departments. In 2019, these events were conducted quarterly (4 events). In 2020, this was done once (quarter 4), rather than quarterly, due to COVID-19. The next recognition event is planned for February 2021.

For BLME, to measure employee engagement, we have conducted an employee engagement survey, with an overall excellent employee engagement score of 83 in 2020, up on 82 in 2019. In addition, BLME conducted several employee engagement activities in 2020 including a Start of Season event, several guest speaker events and multiple employee mails outs.

Whistle-Blowing and Employee Complaints

Boubyan ensures that the engagement includes feedback and complaints mechanisms available to employees. Employees have access to an anonymous whistle-blowing mechanism to voice any grievances, and these whistle-blowing claims are reported directly to the Chairman, as per the CBK governance requirements. Since adopting the Whistle-blowing Policy in 2012, no whistle-blowing cases have been reported.

Boubyan has another mechanism for employee complaints known as "We Listen." This channel is administered by the HR Department. The cases received through "We Listen" total 5 employee complaints in 2019, and 1 employee complaint in 2020, which is an -80% change decrease in employee complaints, as per Figure 5.7a. Note that the category of these complaints belonged to the following: pay / benefit / recognition and physical work environment. Also note that these do not include the IT-related complaints, as there is a generic IT helpdesk system in place to address IT concerns, which then generates incident reports.

Figure 5.7a: Boubyan Employee Complaints per Year

Employee Complaints - 2019	Employee Complaints - 2020	% Change of Employee Complaints
8	2	-75%

Boubyan records and reports the turnaround time for resolving employee complaints. For Boubyan Group, this is set at 5 working days starting from the date of receiving the case. However, concerning IT employee complaints, the IT Department abides by the service-level agreements (SLAs), which vary per department and per case.

For BLME, the turnaround time for resolving employee complaints ranges from 2 weeks to 1 month, depending on a number of factors, including the type of complaint, its formality (formal or informal), whether or not an investigation takes place, the time availability of parties involved, among others.

BLME encourages open dialogue with its employees. This approach is further supported by BLME's Employee Handbook, especially concerning areas that include feedback, conduct champions, monthly gatherings, and others.

Employee Benefits

Boubyan provides employees with a range of benefits, separate from the usual salary and incentives. These not only have an impact on attracting and retaining valuable talent in our workforce, but also contribute to ensuring that our employees are satisfied, comfortable, and meeting their associated labor rights. Figure 5.7b shows Boubyan-wide benefits for employees.

Figure 5.7b: Employee Benefits



5.8 Health and Safety

(102-8, 103-1, 103-2, 403-1, 403-2)

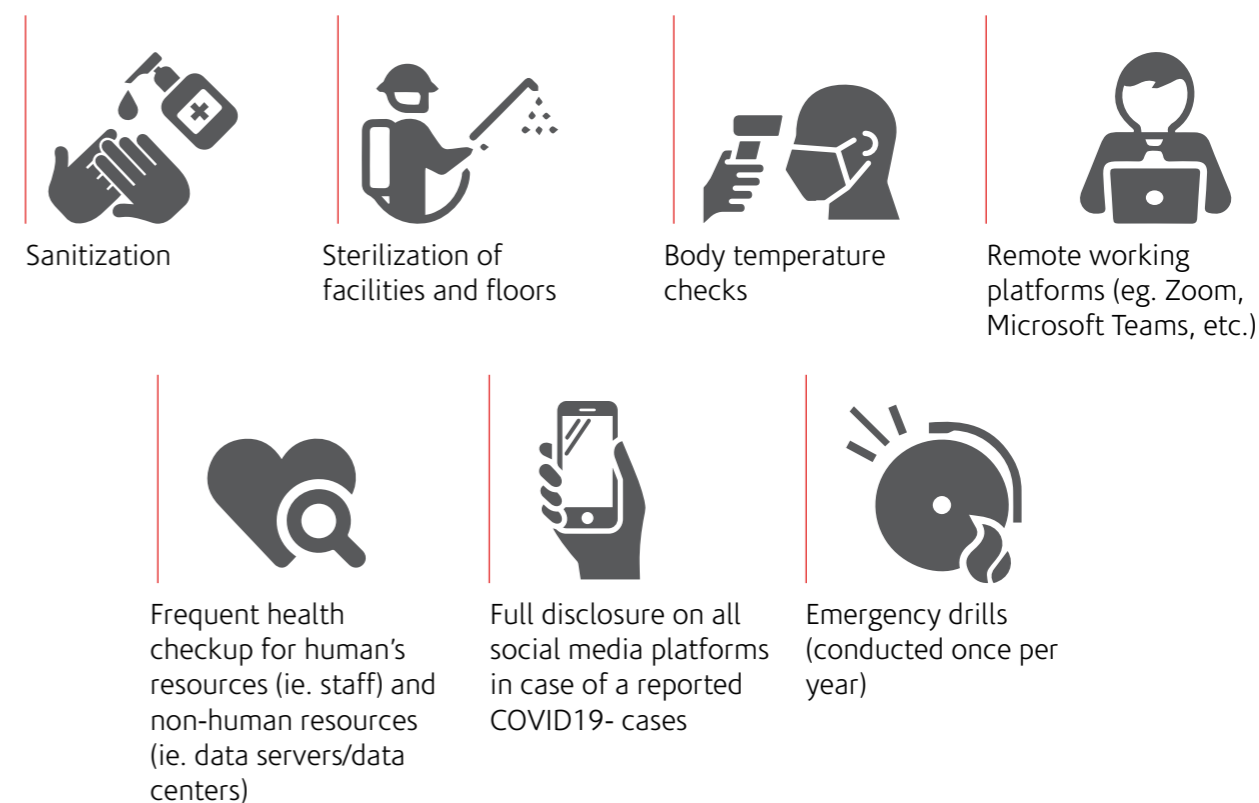
Ensuring the health and safety of our stakeholders, namely our employees, is of the utmost importance, especially concerning COVID-19 measures. Having a healthy and safe working environment ultimately has an impact on any organization's overall sustainable performance. More information about how we ensure health and safety throughout our business is given in this section.

At Boubyan, one way that we are measuring health and safety is through the organizational health index (OHI), which is conducted in

Boubyan every 2 years. We believe that the OHI is one of the best available predictors of an organization's future capacity to perform, showing that healthy organizations outperform unhealthy ones by about 3 times. At Boubyan, the last OHI survey was conducted in 2018, while the survey for 2020 was postponed to 2021 due to COVID-19.

Specifically concerning COVID-19, Boubyan implemented a number of health and safety measures, including those displayed in Figure 5.8a.

Figure 5.8a: Boubyan Health and Safety Measures



Health and safety measures are further supported and governed by the Health and Safety Policy, Business Continuity Plan, the Employee Code of Conduct, and the Board Audit Committee's review of the internal audit health checks on branches. From the Board, oversight of health and safety is conducted at a high-level / indirectly through related policies, plans, and activities.

To ensure employees' health and safety, Boubyan has created 3 working committees, explained as follows.

1. Safety team

Focusing on safety for staff and customers, the Safety team is a diverse group of individuals who focus on education, awareness, communication and ensuring track and trace for employees for the bi-monthly and monthly assessments. The results of the survey are reviewed, and high-risk cases are followed up. If required, swab tests are also done.

2. Emergency Response team

Boubyan has an Emergency Response team comprising premises and our Human Resource Business Partners (HRBPs), as any infections are advised to them both directly. Swab tests are done, and, in case of any positive results, the area is closed and sanitized for a number of days. Then, track and trace is done for all staff and customers who came in close contact with the individual who tested positive.

3. Stress Testing team

There is also a Stress Testing team that audits the above two teams, especially checking compliance with the business continuity management (BCM) and the internal audit (IA). For BLME, throughout 2020, the Board of the Director and the Board Nominations and Remuneration Committee (BNRC) discussed staff wellness and health and safety matters in the context of the COVID-19 pandemic on a regular basis. Normally, in previous years, the CEO would have overall day-to-day responsibility for the oversight of health and safety matters, and this would involve discussions with the Board through the regular quarterly update reports. Both the CEO and the Head of the HR Department would appraise the BNRC concerning staff wellbeing matters on a regular basis. Health and safety are further supported by BLME's Wellness Hub.

At Boubyan National, there is compliance with the procedures issued by the authorities governing health and bank management. This includes conducting meetings remotely, keeping distance between employees, checking employees' temperature, and locating dispensers of anti-bacterial hand cleansing gel prominently around the facilities. Procedures are also in place so that if any employees feel symptoms of COVID-19, they inform their managers and the HR Department, then proceed to conduct a swab test before returning to work depending on the results.

One important health and safety KPI that is often reported is occupational injury incidents, which has successfully been kept at zero for Boubyan as shown in Figure 5.8b below.

2019

Zero (0)

2020

Zero (0)

Case Study

The Impact of COVID-19 on the Workplace

Overview:

Boubyan was very proactive in addressing the COVID-19 pandemic. We made various efforts to ensure that it was business as usual, but also to ensure the safety of our employees and customers. At the same time, we aimed to maintain the delivery of essential banking services for all involved. We equipped staff who were required to work remotely with virtual private network (VPN) access, and those who were required to come into work were equipped with the essential personal protective equipment (PPE). A comprehensive education program, including Instagram and push notifications on the HR application, were put in place so that all staff were kept updated of the progress. Not all areas were open, but staff were rotated around during this time so that we could still offer services, and vulnerable staff were identified and kept from coming into work. For example staff who had diabetes, hypertension, asthma etc., were told to work remotely. In addition, we created a committee of 3 working groups managing the health and safety matters of COVID-19.

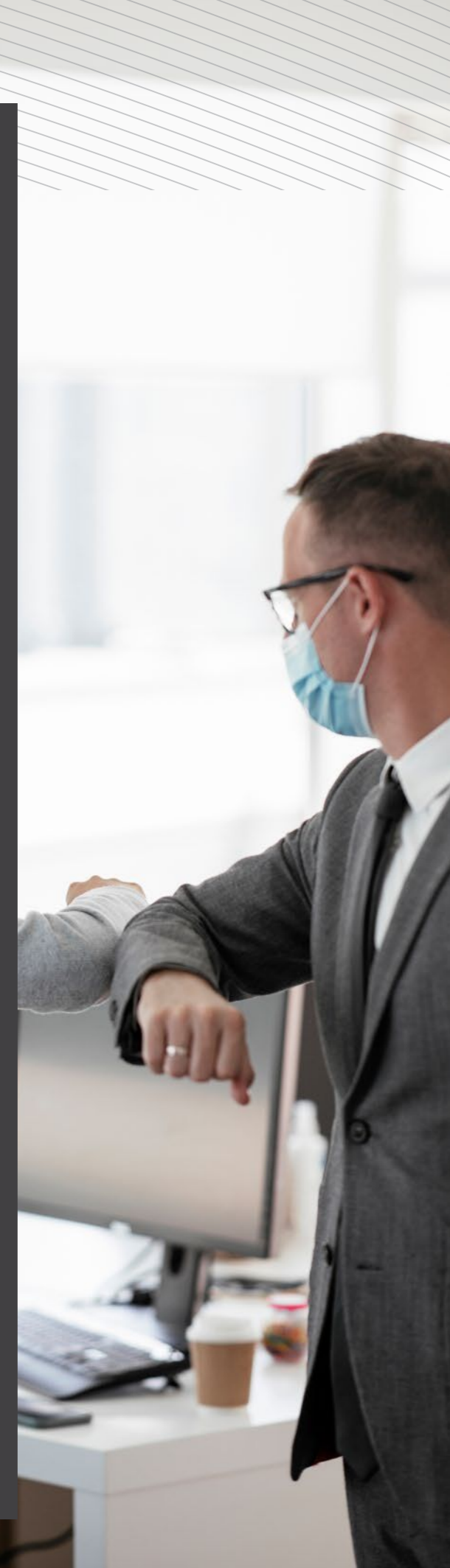
Objective:

To ensure the safety of our employees and our customers, but at the same time provide essential services

Outcomes:

The success of the approach that Boubyan took is as follows

- (1) Low infection rates
- (2) Mobilized staff force who are aware and take COVID-19 seriously. Note that our last survey for check-in with staff on COVID was 94% completed by all staff
- (3) No negative impact on employee' benefits yet
- (4) Well-structured internal plan, rollout, and committee structure to manage and implement health and safety matters, while ensuring compliance





6 | Engaging our Society

Boubyan is committed to engaging with the community, in order to act as a responsible corporate citizen and give back to the community in which it operates. After all, society is one of the sustainability dimensions (MEWC), and is strongly aligned with the social elements of ESG. A number of areas within national and international sustainability frameworks further emphasize the social dimension. Community engagement and investment is important to ensure that any organization is able to sustainably operate within its community. At Boubyan, we contribute to our community through various of areas, which include youth / education, women empowerment, health initiatives, environmental issues, and our range of community engagement tools. As such, we recognize that the community is a Sustainability – “Gene and Core Value.” Further highlighting this, we have prioritized 3 community-related material topics through our materiality assessment / engagement with our stakeholders.

SUSTAINABLE DEVELOPMENT GOALS

-  No Poverty
-  Zero Hunger
-  Good Health And Well-Being
-  Quality Education
-  Gender Equality
-  Sustainable Cities and Communities
-  Partnerships For The Goals

Social Engagement Strategy

Our social engagement is implemented strategically, stemming from Boubyan's Corporate Social Responsibility (CSR) Strategy, and the CSR strategy framework is illustrated in Figure 6a as follows. The framework is composed of our CSR vision and mission, strategic objectives, thematic priorities, and then cascaded to the different types of initiatives. As a result, our CSR strategy allows

us to deliver unique and innovative programs, while carefully listening to our stakeholders, and ultimately catering to the needs of our stakeholders. Governing our CSR directions is our CSR Policy, which focuses on areas displayed in Figure 6b. In addition, BLME adopts its own directions in CSR, which are stated in BLME's CSR Policy, Charitable Donations Policy, and List of Approved Charities.

Figure 6a: Boubyan's CSR Strategy Framework

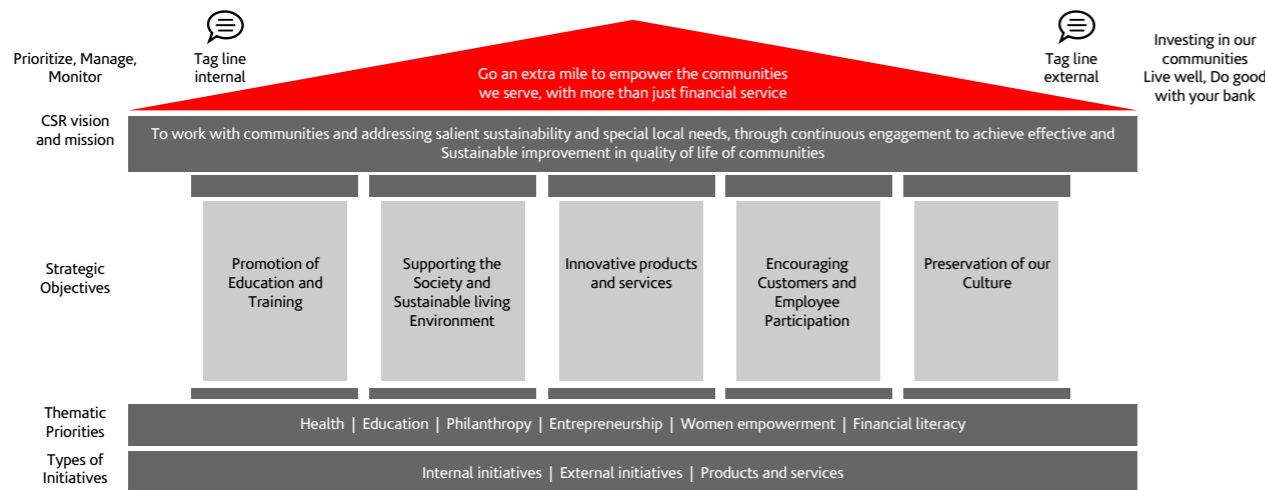
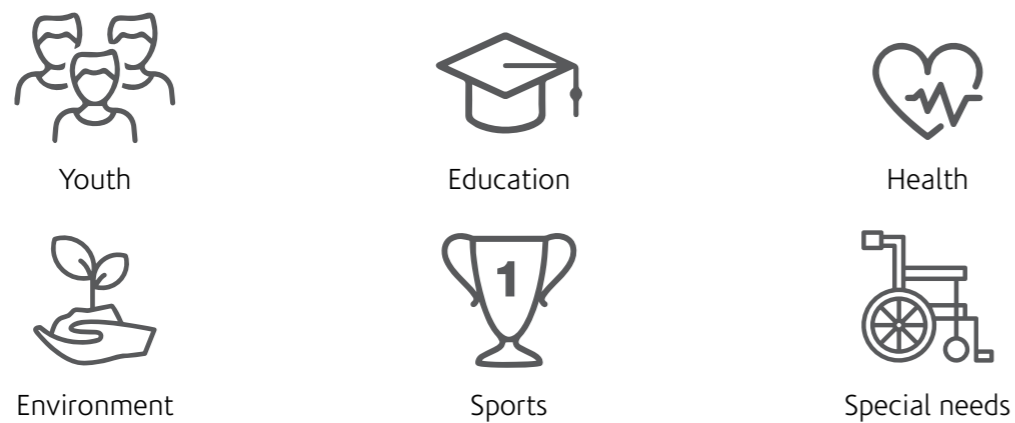


Figure 6b: Boubyan's CSR Policy Focus Areas



Social Support

As part of the social engagement, one indicator of social support is the total amount invested

in the community, which is displayed in Figure 6c, including the social support area, and description.

Figure 6c: Social Support

Social Support	Description
International relief	Donation to the Lebanon relief operations
Government support fund	Participation in a government support fund under the supervision of Kuwait Banking Association (KBA)
Youth and education	Contribution to youth through engagement and educational initiatives
Women empowerment	Contribution to women through women empowerment initiatives
Health and safety	Conducting health and safety related initiatives for a range of stakeholders
Environment	Conducting initiatives that had environmental themes

Volunteering

Creating a volunteering culture at Boubyan is important as a channel to give back to the community. Volunteering allows our internal stakeholders to participate and contribute to their society. In line with this volunteering culture, Boubyan employees volunteered for a

number of initiatives. Figure 6d provides more details about employee volunteering hours per event. The results show a total of about 520 volunteering hours, across 140 volunteers, noting that the number of volunteers may include overlaps across initiatives.

Figure 6d: Employee Volunteering

Initiative	No. of Volunteers	Hours per Volunteer	Total Volunteering Hours
Kuwait Red Crescent Support	20	3	60
Kuwait Civil Defense Support	20	3	60
World Cleanup Day	100	4	400
Total	140	-	520

SROI Topic	SROI Level	Interpretation	Value Outcomes
Employee community volunteering	Very High	17.78 KD sustainability value for each 1 KD invested.	*Volunteering value *Activities value

6.1 Youth Empowerment

(103-1, 103-2, 201-1, 413-1)

One of the focus areas of Boubyan community engagement includes youth and its empowerment. This theme of youth empowerment is expressed through a range of activities, including attracting youth through internship and fresh graduate employment, Big Tree Society initiatives, youth educational events, summer camps, and Maker Faire. More information about the way we empower our youth is presented in this section.

The youth focus is evident in Boubyan's products that target young people, such as technological advancements and the provision of a state-of-the-art mobile banking application for customers. Accordingly, we record the number of youth customers (age 24 years and below), who make up around 34% of our customers, as per Figure 6.1a as follows.

Figure 6.1a: Boubyan Youth Customer Segment out of Customer Base



While Boubyan focuses on youth customers, there is an additional focus on youth through social engagement related to education. Figure 6.1b and Figure 6.1c display the education-

related engagement through 3 initiatives in 2019, and 11 initiatives in 2020 respectively.

Figure 6.1b: Educational Initiatives – 2019

Initiative name

Recite with Boubyan - Quran competition 2019

Sponsor of K -TECH expo- 2019

Figure 6.1c: Educational Initiatives - 2020

Initiative name	Description
Tarateel Program 2020 (Online)	Quran Program for the children of Boubyan customers, ages 6 to 9 years old. In this program, 16 Boubyan employees and 20 children participants were involved, and it was held online.
Recite with Boubyan - Quran Competition 2020 (Online)	Competition for the memorization of the Glorious Quran, open for the children of Boubyan and non-Boubyan customers.
Darisni with Boubyan Campaign - 2020	Campaign aiming to assist students with continuing their academic studies, especially concerning the transformation to online education during COVID-19. Accordingly, Boubyan provided free lessons to students for a month, via the Darisni Application.
Boubyan Summer Camp	Boubyan launched an online summer camp for customer's children aged 6 to 10 and totalling 20 children, using Zoom. It included a range of activities and events over 2 weeks. Note that a satisfaction survey was conducted at the end of the end; the results show that with a response rate of 27%, the satisfaction score was 93%.
Boubyan Reading Marathon 7 - 2020 - (Online)	For every 10 pages the participants read, Boubyan and Clinica donated 1 KD for children who could not afford educational fees.
GUST Collaboration	Boubyan Continuous Improvement Department collaborated with the Gulf University of Science and Technology (GUST), where students were given an assignment to improve a chosen process in Boubyan, as a part of on-field training. The specific process involved using lean methodology for creating the Murabaha deals process.
Interactive Children Guide	Boubyan developed an interactive "Children guide" to entertain and educate children during COVID-19. Topics in the guide included Islamic, Learning, Arts and Crafts, Games, and Activities.
Reading Volunteering 2020	BLME conducted an initiative wherein 10 BLME employees volunteered during school term time to read with students from disadvantaged backgrounds.
Future Frontiers Mentoring Program	BLME conducted its own educational initiative, in the form of the Future Frontiers Mentoring Program. Through this program, BLME employees mentored children from underprivileged backgrounds into work or future education (aged 16 to 18 years). The program started with a Lunch and Learn event in November 2020, and continued with one-on-one coaching sessions by 13 BLME employees.
Boubyan Cube Challenge	Boubyan organized this event to encourage meaningful games, which developed mental abilities for children and adults alike while increasing the levels of challenge among them. Then, the top 10 winners were awarded financial rewards by Boubyan's management and the panel of judges.
Boubyan E-Cup FIFA 2020 Tournament	Boubyan held this tournament remotely this year (online). The tournament was for young men who were at least 16 years old. Prizes were given to first, second, third, and fourth place.

SROI Topic	SROI Level	Interpretation	Value Outcomes
Summer Camp	Very High	4.88 KD sustainability value for each 1 KD invested	*Value of social activities
Future Frontiers Program	High	1.02 KD sustainability value for each 1 KD invested	*Value of volunteering *Monetary contribution

6.2 Women Empowerment

(201-1, 413-1)

Empowerment of women through social engagement is one area that contributes to sustainable development. Women empowerment was another focus for Boubyan's social engagement, with details in Figure 6.2 as follows:

Figure 6.2: Women Empowerment Initiatives

Initiative name	Description
Sponsoring the Ideal Mother Award	Sponsored the Ideal Mother Award to honor mothers during Mother's Day

6.3 Health Initiatives

(201-1, 413-1, 416-1)

Health is often found to be one area that organizations focus on throughout their community engagement. More information about Boubyan's implementation of health initiatives is provided in this section.

In comparison with the yearly community engagement conducted, 2020 was a unique year in that Boubyan focused on health and safety related matters due to COVID-19. Generally, this type of awareness can be found in the following:

- Conducting Boubyan's events and activities through digital and online channels
- Spreading health and COVID-19 awareness messages via social media platforms
- Publishing news related to various Boubyan departments in daily newspapers

Overall, Boubyan conducted 7 health initiatives in 2019 and 12 health initiatives in 2020, which was a 71% change increase in the number of health initiatives from 2019 to 2020. More details in Figure 6.3a and Figure 6.3b respectively as follows.

Figure 6.3a: Boubyan Health Initiatives - 2019

Event name
Tech Neck - Awareness Digital Campaign 2019
Health & Fitness Expo
BMI Check-Ups - 2019
Steps with Boubyan - 2019
Obesity Campaign - 2019
Diabetes Awareness Campaign - 2019
Noor Boubyan 4 Campaign

Figure 6.3b: Boubyan Health Initiatives - 2020

Initiative name	Description
Awareness campaign with Nutribox App 2020	Conducted awareness campaign (phases 1 and 2) with the Nutribox App, to increase the level of health immunity, especially regarding COVID-19.
Safety Kit Distribution - Kuwait Airport 2020	Distributed safety kits that included health protective items (ie. sterilizers, masks, gloves, etc.), in Kuwait International Airport to passengers.
Steps with Boubyan 2020	Initiative conducted where participants exercised by walking at the Al-Hamra Mall. In return for each 5 minutes of walking, Boubyan donated 1 KD. The proceeds of the campaign were donated to underprivileged community members. This year, due to COVID-19, Boubyan launched the Boubyan Steps mobile application, as the event was held more virtually during Ramadan. As a result, around 5,000 participated through the App.
Boubyan Health Program	Conducted weekly health awareness lectures for staff, focused on COVID-19, psychological aspects, social aspects, proper nutrition, bolstering immunity, sports, fitness, returning to work, and lifestyle improvement. These were conducted via digital channels (Microsoft Teams).
2020 New Lifestyle - Seminar	Conducted lecture seminar by Dr. Abdullah Al-Mutawa, for 250 customers. The seminar focused on taking care of your health, and learning about key nutrition, fitness, and psychological habits that enable a healthy lifestyle.
BLME Social Media Awareness	BLME consistently updated the website and social media in line with new government guidance, ensuring that customers and the community were up to date with new developments. Also, as BLME was aware that COVID-19 was seeing a rise in cyber-crime and scams worldwide, BLME featured scam prevention and cybersecurity as ongoing themes on its social media, such as posts that regularly linked to the #Takefive and stopfraud.org.uk website.
World Mental Health Day 2020	Noting the mental health repercussions of COVID-19, BLME expressed its support of the World Mental Health Day 2020 in its social media channels. BLME also engaged an author to speak of her lived experience with mental health challenges and her dramatic tale of survival after becoming lost in the desert. Employees were sent a copy of her book to help raise awareness and understanding around mental health and resilience.

Figure 6.3b: Boubyan Health Initiatives - 2020

Initiative name	Description
Staff Recognition for COVID-19	Recognized and honored Boubyan staff who worked throughout the partial curfews and total lockdowns in collaboration with the HR Department.
COVID-19 Guides	Designed, printed, and distributed various types of instructions related to COVID-19 to Boubyan customers and staff, following the return to work. This includes publishing health and COVID-19 awareness guides, including: <ul style="list-style-type: none"> • Boubyan Health Guide • Lockdown Guide • Boubyan Online Shopping Guide • Boubyan Government Services Guide • Immunity Guide • Other messages
Distribution of Disposable Prayer Mats	Boubyan distributed plastic disposable prayer mats around mosques in Kuwait, aiming to curb infections cases resulted from shared prayer mats.
UK National Health Service (NHS) Support and Donations	Throughout the COVID-19 crisis BLME shifted its CSR focus to the National Health Service (NHS). As this crisis touched our employees in unique ways, we requested employees nominate NHS facilities that had special meaning to them. We received a number of nominations from employees who had family members working on the front line as doctors and nurses. We had employees nominate hospitals that had helped them or a family member through a medical emergency. We made other donations to the NHS in London, Manchester and Redditch. In total, £33,000 (~13,477 KD) was donated across these facilities.
Food Bank Donations	BLME also focused on supporting local Food Banks. The unprecedented economic ramifications of the COVID-19 crisis in the UK meant many were struggling to feed themselves and their families. Therefore, demand in food banks increased greatly. Accordingly, BLME donated a total of £13,175 (~5,381 KD) to Food Banks across the UK.

SROI Topic	SROI Level	Interpretation	Value Outcomes
Steps with Boubyan	High	2.01 KD sustainability value for each 1 KD invested.	*Value of volunteering *Health outcomes for participants *Monetary health donations to community
Boubyan Health Program	Medium	0.89 KD sustainability value for each 1 KD invested.	*Employee health outcomes

6.4 Environmental Initiatives

(201-1, 413-1)

Initiatives that promote environmental aspects can be part of an organization's social engagement as well. More information about Boubyan's environmental initiatives is accordingly provided in this section.

Boubyan conducted social engagement through environmental initiatives. There were 2 environmental initiatives in 2020, as displayed in Figure 6.4 as follows.

Figure 6.4: Boubyan Environmental Initiatives

Initiative name	Description
Boubyan Coffee initiative with Dose 2020	Conducted awareness initiative to reduce the use of plastic and conserving the environment
Sponsorship of the World Cleaning Day	Sponsored a campaign to clean certain areas in Kuwait

6.5 Engagement Tools

(102-43)

The use of engagement tools is crucial to attracting and maintaining continuous engagement with the community. These engagement tools range from social media channels to marketing campaigns / offers done for customers. More information about our engagement tools is provided in this section.

- Website
- Outdoors advertising
- Call center
- Automated Teller Machines (ATMs)
- Branches
- Boubyan Direct
- Malls
- Internal communications / emails

Boubyan uses engagement tools in order to conveniently engage with the community, mainly through its social media and marketing communications channels. These include:

- Newspapers, radio, TV
- Social media (Instagram, Twitter, YouTube, Facebook, LinkedIn, Glassdoor)
- Digital media

Specifically, Figure 6.5a displays the number of Boubyan followers / subscribers for selected social media channels. It shows that there have been increases across each of the channels (Instagram, Twitter, and YouTube), as well as a -13% change increase of total social media followers / subscribers.

Figure 6.5a: Boubyan Social Media Followers / Subscribers - per year

Social Media Channel	2020 followers / subscribers	2019 followers / subscribers	% Change
Instagram	345,215	333,264	4 %
Twitter	210,869	198,244	6 %
YouTube	167,000	108,000	55 %
Total	723,084	639,508	13 %

Through Boubyan's varied engagement tools and marketing activities, there is ample communication related to segments, products, services, and engagement. All of Boubyan's events, activities, and contributions towards society are published through the channels. Specifically concerning BLME, it has compiled a list of sustainability / ESG-related topics communicated on its social media, which are listed in Annex 8: Sustainability / ESG Related Topics on BLME Social Media

The engagement channels specifically include marketing campaigns / offers, which are often assessed for their success, looking at the campaign's objectives and KPIs. Figure 6.5b displays a number of marketing activities, campaigns, offers, and discounts (totalling 12), which were provided to customers to increase engagement, satisfaction, added-value, "Top-of-mind ratio," and loyalty. Note that these continued to be offered to customers by Boubyan, despite challenges from the COVID19-pandemic.

Figure 6.5b: Boubyan Marketing Campaigns / Offers

Marketing Campaigns / Offers	Details
New Year Catering Offer	Provided a catering offer for the new year, for the first time, which was the following: "50 KD discount on catering services for 20 persons from Junkyard, Humble Burgers, Proper Sliders, Taco Eataco, The Kitchen, and Chubby Balls and have a joyful New Year family gathering." This offer was provided to 100 Boubyan customers, who were selected based on a draw to receive the discount vouchers.
National & Liberation Day offer	Provided a 50% discount offer from Melenzane and Recco restaurants, for the Kuwait National and Liberation Days celebrations.
Eid Offer	Provided a 15% discount offer from Melenzane restaurant, for the period of Eid celebrations.
New Hijri Year offer	Provided 40% discounts on orders from Nino, Leila Mn Lebnan, and Johnny Rockets restaurants.
Boubyan Moments - Trapani Morouj	Conducted campaign with Trapani restaurant, Morouj, providing offers and discounts through games with customers.
Lazurd App	Provided a 20% discount offer from Lazurd Application.
Deliveroo offer	Provided 5 KD off promo code for the first 250 Boubyan customers, noting that we are the first bank in Kuwait to start conducting digital offers.
B-Online Exclusive Offer	Provided an exclusive offer at B-Online for platinum and private Boubyan customers—being conducted for the first time.
The Butchery offer	Provided a special offer at The Butchery for the first 200 Boubyan credit-card customers—being done for the first time.
Macro Offer	Provided an offer at Macro for the first 100 Boubyan platinum and private credit-card customers—being conducted for the first time.
Platinum Experience II	Conducted campaign for Boubyan platinum customers as part of Platinum Experiences, as a shopping experience in collaboration with Harvey Nichols.
Free Concierge Services for Platinum Customers	Provided a first-time offer of free concierge services for Boubyan platinum and private banking customers holding credit cards, including new concierge service registration and utilization.

SROI Topic	SROI Level	Interpretation	Value Outcomes
Customer marketing campaigns / offers	High	1.46 KD sustainability value for each 1 KD invested	*Monetary savings for customers *Comfort for customers

In addition, BLME has its own approach concerning community engagement tools and giving back to the community. BLME Corporate Communications team has implemented ongoing media and social media monitoring. As a result, this has shown to have press releases

(national and sectoral media) that especially focused on BLME's savings products, and BLME's real estate coverage—reaching over 1 million readership. Accordingly, BLME's social media channels followers had also increased markedly.

7 | Impacting through Innovation and Digitization

Innovation and digitization elements are important to ensure that an organization is on the right track towards a sustainable future. This area touches on a number of sustainability dimensions (MEWC) and ESG elements, due to the various benefits reaped from innovation and digitization for the various stakeholders involved. As a part of this, technological advancements have impacts that range from convenience in both internal operations and customer experience, to environmental savings as a result of time and resource efficiencies. As such, Boubyan recognizes innovation and digitization as a great potential for sustainable development, ultimately being a Sustainability – “Gene and Core Value.” In addition, throughout our engagement with our stakeholders (via materiality assessment), we have prioritized a total of 3 material topics associated with innovation and digitization.

SUSTAINABLE DEVELOPMENT GOALS

-  Good Health and Well-Being
-  Decent Work and Economic Growth
-  Industry, Innovation and Infrastructure
-  Sustainable Cities and Communities
-  Responsible Consumption and Production
-  Climate Action
-  Partnerships For The Goals

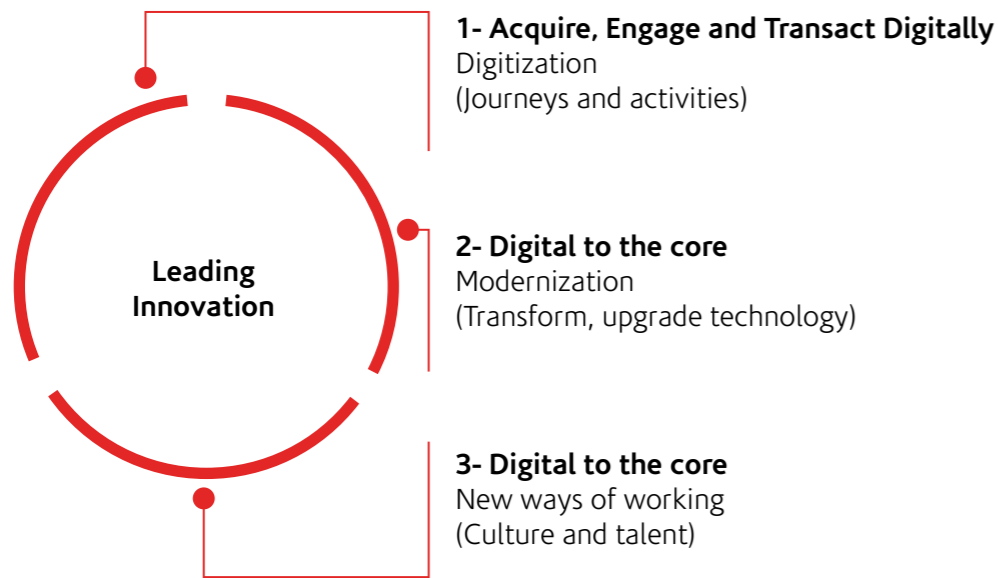
7.1 Innovation

(103-1, 103-2)

Being a “Gene and Core Value,” sustainability is integrated into our operations, especially through our innovation and digitization approach. Innovation, specifically, is important for paving the way towards Boubyan’s future, aiming for unique and advanced ways of doing business. More information about our innovative approach is displayed in this section.

Boubyan applies a range of innovative methods within its operations, as well as externally while developing or enhancing customer products and services. Digitization also plays a role in project management excellence, and in the digital transformation cycle. Our innovation and digitization approaches are built around a framework that is illustrated in Figure 7.1a, which focuses on digitization, modernization, and agility.

Figure 7.1a: Innovation and Digitization Framework



Innovation Initiatives

To emphasize the value of innovation, Boubyan is constantly assessing the market, utilizing our networks, forming partnerships that can assist in adapting to disruptive innovation, and lastly internally spreading the culture and knowledge to make us embrace this ideal. Accordingly, Boubyan conducted several innovation initiatives, which are listed as follows:

- Spread innovation culture within Boubyan by communicating related ideas and hosting related events
- Implemented an idea management platform—ie. Tawasol Application
- Shared recommendations with internal teams in terms of research and trends, along with preparing proof of concepts (POCs) and value related to their fields. This includes,

among others, digital financing platforms for Corporate and Personal Finance departments, and business banking for more lead generation (eg. i2i standards management platform, and Finfirst digitization)

- Partnered with major third-party providers specialized in providing backend and services to enable Boubyan to be more agile
- Assessed all business units within Boubyan to gain insight and details about their needs, and accordingly proposed ways to innovatively enhance and transform them
- Participated in Boubyan’s Rewards Program Hackathon
- Participated in reviewing and providing partners with financial risk assessment from Boubyan Capital
- Sharing the latest trends from many aspects (ie. infrastructures, user experiences and research) with our internal stakeholders, to make sure that Boubyan is covering them, along with keeping up with our increased customer base in line with said trends

Innovative Partnerships

Boubyan is often approaching partners for digital / innovative projects, aiming for partners who are well reputed concerning their ability to minimize environmental risks and focus on applying the ESG standards. Some ESG areas especially include local and international philanthropy. We aim to work with partners who prioritize their employees’ health and condition, along with their safety at work. With regards to governance, we focus on due diligence to ensure that there is no conflict of interest when it comes to partnering with the entities, including startups and other enterprises.

Boubyan’s innovative initiatives focus on disruptive markets, such as financial technologies (FinTechs). In line with this, Boubyan has formed partnerships that pioneered us into these new areas, while also adding value to Boubyan customers, from reducing cost to enhancing their experience in digital and retail services. We put effort into enabling Boubyan to be available on various financial platforms in the region to access a wider customer base, and access the digital products. Accordingly, selective innovative partnerships are described below:

- **Finfirst:** This is a financial services platform that digitizes and eases the use of financial products and services, including obtaining a car loan and personal Murabaha. Boubyan received hundreds of leads in the 90 days of operations.
- **ExpandCart:** ExpandCart is a leading e-commerce platform in the Middle East and North Africa (MENA) region. It provides a collection of tools and resources to manage an online store, process orders, sell products online, and other related services. Accordingly, Boubyan partnered with ExpandCart to add value to customers and business offerings.
- Partnered with AWS Activate to empower entrepreneurs and startups, and provide them with cloud computing resources from Amazon Web Services (AWS) to help them innovate and grow. This comes in line with Boubyan’s Incubation Program focus on providing the best services and solutions to support the initiatives of young Kuwaitis and Kuwaiti startups taking part in its incubation program.

A specific cycle is followed when deciding to partner with another entity for an innovative project, which is illustrated in Figure 7.1b as follows.

Figure 7.1b: Digital / Innovation Partnership Cycle



Change Management and Continuous Improvement

Digitization and innovation played an especially important role in mitigating COVID-19 challenges. Namely, Bouyan’s Continuous Improvement Department arranged laptops to be provided for all employees, to allow for remote working—as a result of the mandatory manpower reduction percentage.

This department, along with other departments, was key to overcoming the COVID-19 challenges (ie. remote working, reduction of working hours, and focus of COVID-19 recovery) through technology.

Boubyan’s change management strategy is focused on overcoming the various COVID-19 challenges, as well as spreading the Lean culture awareness across the Boubyan. The strategy is to also certify Lean Ambassadors to assist in identifying opportunities and guiding the employees on how to identify «waste» and use the Lean methodology to eliminate it.

Major achievements this year by the Continuous Improvement Department include the launching of lean and continuous improvement projects, and the Live Request page on the Tawasol Application. All opportunities along with their associated information are now received and tracked on Tawasol instead of using Excel sheets and emails for receiving and tracking projects progress. Tawasol also allows the employees to view and redeem rewards for the lean points they have collected after completing their projects. As a result, a total of 19 lean projects were completed in 2020 (despite COVID-19 challenges), and Figure 7.1c provides a list of the completed projects.

Figure 7.1c: List of lean projects completed

Reduce number of calls received by CPD	Reduce salary rejected records	Reduce Cycle Time of Processing Travel Plan Notifications	Enhance Tracking & Cycle Time for Fraud Rule Governance for Cards
Enhance change ranking process (CIF closed)	Improve Client Experience for Rescheduled PF by Direct Sales	Eliminate manual work to close Fixed Deposits accounts with zero balance	Eliminate CBK complaints for Credit Card Renewals/ Replacement fees
Automate Assignment Of Right Process	Reduce Cycle time of Expected fee process of international Credit	Enhance Social Media procedure	Increase QR Usage in Transfers for Corporate Branches
Reduce Siron KYC alerts	Reduce Siron Embargo alerts	Recover Lost Fees of Swift Cancellation Request	Enhance Private Banking Eligibility Report
Rental Costs Reduction For Boubyan Locations During COVID-19	Reduce Cycle Time & papers printed of new Murabaha process	Reduce Transaction Time and Papers Printed for ALGhaly Account	

Note that all lean project improvements must be justified and validated with data in the final project storyboard

. This is done by comparing the previous original state with the final state after improvement, especially demonstrating the impact of the change. Data is collected by any of the following methods:

- Collected from the management information system (MIS) for automated systems
- Collected from multiple readings are measured manually by the project team
- Collected by any other means to ensure reliable data

The change management involvement in lean projects is continuously assessed. Specifically, the “Control” phase of lean projects is for testing and monitoring the change. Projects are announced for completion only after an approval is obtained from the process owner, confirming the validity and success

of the change. Only then is it moved to the «Completed» phase. Note that our process involves obtaining regulatory function approvals (ie. Sharia’a, Risk, among others) before implementing the change.

Looking at the controls, no project is considered complete unless control measures are put in place to ensure sustainability of the improvement and sustaining the gains. This is done through procedure updates, automation of processes, changes in contracts, etc. All changes must be approved by the Sharia’a & Operational Risk departments, whereas the Operational Risk Department directs us if further approvals are required from other departments, including Legal, Compliance, IT Risk, etc.).

Bouyan’s Continuous Improvement Department is open for inputs from employees from all over Boubyan, which goes through a process outlined in Figure 7.1d as follows.

Figure 7.1d: Change Management Process for Employee Cycle

1)	Boubyan employee raises the opportunity in the Tawasol Application.
2)	The opportunity is assigned to a Continuous Improvement specialist to follow up with the initiator and validate the opportunity.
3)	If the opportunity is valid, it is considered as a project, and goes through the subsequent stages.
4)	The opportunity is measured: measuring the current state with supporting information, such as the process map, KPIS, cycle times, number of errors, etc
5)	The opportunity is analyzed: root cause analysis is conducted to identify the root causes of the problem.
6)	The solution is proposed: the recommended solution to overcome the issue and the proposed changes.
7)	The solution undergoes quality assurance and control plan: validating the improvement and ensuring measures are taken to sustain the gains.

Case Study

Tawasol Application

Overview:

The Continuous Improvement Department (CID) is used to receive opportunities for process enhancement from all over Boubyan via emails. All communications regarding the project's status were previously done in Excel-sheet format for tracking and reporting purposes. This issue started from the beginning of the new approach by this department in 2017, and on an average there were 87 projects for which tracking was required per year. This affected the staff at the CID, as well as the project owner from a communications and tracking perspective. The desired outcomes were to enhance the communication and reporting tools for this matter—out of which came the idea of the Tawasol Application.

Objective:

The objectives of the Tawasol Application were as follows:

1. Set a standard and systematic communication tool for the Continuous Improvement Department (CID).
2. Enhance the systematic communication and reporting tools between CID and the project owner.

Outcomes:

The outcomes of the Tawasol Application were as follows:

- Implemented a standard systematic communication tool (Tawasol – Live Request) to share the project's status between CID and project Owner
- Provided various features added to serve multiple stakeholders
- Provided ability for the CID to track project status per stage
- Provided ability for the project owner to request and inquire about their Reward Points
- Provided the Lean Ambassador project details
- Eliminated / reduced the time wasted to generate weekly/monthly reports
- Established Dashboard (Power Business Intelligence "BI") aligned and integrated with the systematic tracking tool (Tawasol – Live Request)
- Provided easy management reporting outcomes that reflect live data from Tawasol — Live Request



7.2 Digitization and Technology

(103-1, 103-2, 203-1)

Boubyan emphasizes digitization and technology in creating a journey of virtual services, to be accessible to both internal stakeholders (ie. employees) and external stakeholders (ie. customers). Because these areas are vital in paving the way to the future, they are recognized as priorities in Boubyan to ensure its sustainability. More information about our embrace of technology and digital tools is given throughout this section.

Information Technology (IT) Overview

The IT Department at Boubyan overlooks the journey of transition to virtual banking. We understand the business needs and ensure that our IT resources are scaled up to provide excellent and seamless service to our customers. We provide a framework and manage any digital transformation projects, be it through iOS, Android, Fitbit, Garmin, or Samsung Pay, among others. Our mandate is to serve as the front line to meet any transformational needs of Boubyan through a technology perspective. Automation is one of our core values and we aim to achieve it throughout our operations, especially to minimize time and risk.

Notably, the IT Department at Boubyan had an especially active role to play during the COVID-19 pandemic. With curfews and lockdowns implemented, Boubyan had to ensure that its operations remained active and its customers were not negatively affected. We understood that the priority was to transition to a virtual banking mode instead of a one-to-one branch-based banking model. Accordingly, below are some actions taken by the IT Department to contribute to this.

- Mobilized IT resources (human & non-human) to continue operations within our disaster recovery (DR) site
- Activated all virtual means of banking—ie. call center, interactive voice response (IVR), applications, among others
- Ensured data center accessibility for all authorized personnel
- Distributed IT resources to specific identified staff for operations with specific internal controls in place

For BLME, the response to COVID-19 is consistent with the approach followed by Boubyan, and this is key in maintaining adequate technology related services across Boubyan. Accordingly, BLME's IT-related response included a number of actions that focused on customer communication, continuity, disaster recovery, and crisis management.

Digital Technologies

Boubyan reports on its digitization and technology, focusing on features that include accessibility, platforms, channels, mobile apps, automated processes, digital marketing, savings, and impacts related to COVID-19. Accordingly, a selected list of Boubyan's internally-used digital channels are displayed in Figure 7.2a. In addition, Boubyan uses digital technologies to enhance the experience of external stakeholders (ie. customers), which are also displayed in Figure 7.2b as follows.

Figure 7.2a: Internal Digital Technologies

Name / type	Description / Purpose of use
Robotic Process Automation (RPA)	RPA is the technology that allows us to configure computer software, or a "robot" to emulate and integrate the actions of a human interacting within Boubyan's systems to execute a business process
Pegasystems	Business Process Management Platform that is being used currently for: 1. Workflow Management 2. Case Management 3. Business Rules Engine
Service-Oriented Architecture (SOA)	Oracle SOA Middleware is a collection of standards-based software products that span a range of tools and services from Java Enterprise Edition (EE) and developer tools, to integration services, identity management, business intelligence, and collaboration The SOA middleware is the software that connects software components or enterprise applications. Middleware is the software layer that lies between the operating system and the applications
BCAP	Back Office Portal that been used heavily for Boubyan's operational tasks that are not available in the core system as an interface
Application Programming Interface (API) Gateway Broadcom	An API management tool that sits between a client and a collection of backend services
Digital Channels Platform	Development platform for designing and developing digital services for different channels for Retail and Corporate services
RASA - artificial intelligence (AI)	Machine learning framework to automate text- and voice-based assistants. It is used to build the AI Digital assistant - Msa3ed. In addition, it is integrated with tensorflow for AI prediction and other use cases
Msa3ed	Artificial Intelligence (AI) Digital Assistant chatbot for customers
Mobile Banking	Develop mobile banking for both retail and corporate banking, using native and react native languages
Near Field Communication (NFC) -Host Card Emulation (HCE)	Boubyan in-app provisioning on Android Operating System (OS) for NFC-HCE card payment for both VISA and Mastercard (MC)
Digital Channels Back office	Handle all operations related to digital channels users and services
Boubyan Checkout	Provides checkout channel interface for Boubyan customers
Django	Content Management System (CMS) and development framework for all Boubyan websites
Aion Components	Digital On Boarding tool & eKYC

Figure 7.2b: External Digital Technologies (related to customers)

Name / type	Description / Purpose of use	Outcomes
Boubyan Retail Application / Internet Banking	Boubyan retail app provides retail customers direct access to conduct banking activities (remotely using a mobile device such as a smartphone or tablet) for the following: 1. Financial transactions 2. Opening new accounts 3. Getting financial statements of accounts/ credit cards 4. Applying for finance 5. Applying for a credit card 6. Other innovative digital banking services	<ul style="list-style-type: none"> • Provides top quality user experience • Reduces the pressure on the branches • Provides easy access on the majority of financial products and services • Minimizes the manual operational tasks • Increases products sales
Msa3ed (Chatbot)	Msa3ed is Boubyan's interactive chatbot available 24/7 to assist clients with any questions or inquiries via Boubyan App, WhatsApp and live chat Msa3ed is a unique interactive tool designed to add convenience to your digital banking experience. Msa3ed services include: -Opening a new account or a fixed deposit -Making local and international bank transfers -Accessing Boubyan's PayMe service -Cardless and Civil ID withdrawal -Purchasing iTunes and Google Play cards -Making credit card and mobile bill payments -Requesting IBAN information -Getting information about the next salary transfer date -Getting assistance to block a card	<ul style="list-style-type: none"> • Provides top quality user experience • Reduces the pressure on the branches • Provides easy access on the majority of financial products and services • Minimizes the manual operational tasks • Increases products sales • Increases the clients knowledge base about Boubyan's products & services
Boubyan Corporate App/Internet Banking	Boubyan Corporate App/Internet Banking provides Corporate/SME clients with fast, easy access to their corporate accounts, available around the clock. It allows businesses to manage accounts, perform inquiries, check balances, and receive account details and other related services online. Some features include: -Viewing all accounts, Murabaha, and credit cards -Approving or rejecting transactions and requests initiated by Online Banking. -Calling the Relationship Manager directly from the App -Viewing financial transactions -Opening new accounts -Getting financial statements of accounts/ credit cards -Uploading salary Files -Giving multiple users access based on the organization chart -Providing financial reports & charts	N/A
Official Websites	Official websites for Boubyan and each of the subsidiaries	<ul style="list-style-type: none"> • Convenient channels to provide information about: <ul style="list-style-type: none"> -Products -Offers -Discounts -Services usage • One of the main platforms for marketing campaigns • Covers all bank clients base

Digitization Achievements

Boubyan had set up a business plan regarding investments in digitization and innovation, focusing on maintaining our market leader position. The following lists the selected achievements completed in 2020:

- Launched the revamp of the mobile app and website
- Launched the revamp of Boubyan Rewards
- Scaled up Digital Factory (2 additional squares: 2nd mobile square, back office automation)
- Delivered 5 new digital e2e customer journeys, including back-office activities (onboarding, credit card, Murabaha, mortgage) across channels
- Digitized back-office processes for efficiency
- Launched mobile wallet
- Introduced WhatsApp-based banking services

In addition to these achievements, Boubyan ensures that staff working in IT and digitization matters are qualified with the appropriate certifications, including, among others, MBA, PMP, CCA, MCP, etc. These are displayed more fully in **Annex 7: Boubyan IT and Digitization Staff Certificates**.

Information Security

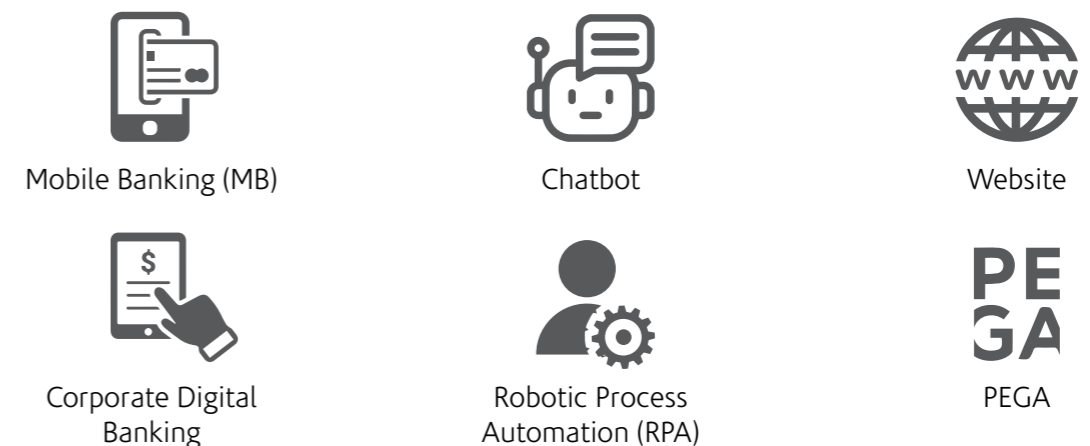
Boubyan is constantly striving to ensure and improve information security, which is especially demonstrated in the following areas / activities conducted by Boubyan, as follows:

1. Onboarding our systems with SecDevOps
2. Adding Jason Web Token (JWT)
3. Adding one-time-password (OTP) per device linking
4. Adding OTP for critical services
5. Adding check device by iOS and Android
6. Using DexGuard for Android
7. Using Secure Sockets Layer (SSL) pinning
8. Prevent Jailbreak
9. Using Transport Layer Security (TLS) 1.2
10. Designing new services as microservices, and migrating existing critical mission services to microservices
11. Revamping Retail from stateful to stateless

Boubyan Digital Group Management (DGM)

As the Digital Group Management (DGM) Department is the digital factory of Boubyan, DGM is always striving to be aligned with the strategic objectives of Boubyan as a whole. The DGM is broken down in Figure 7.2c below.

Figure 7.2c: DGM Squads



The DGM's strategic alignment is especially ensured by working closely with other divisions to introduce a yearly roadmap, following agreement with all of Boubyan's main divisions. The roadmap covers various divisions and their roles in achieving Boubyan's KPIs, whether digital, operational, cost saving, etc. Based on the priorities set for this roadmap, the DGM commits to providing "Go Live" for the roadmap. Accordingly, Annex 9 displays some KPIs aligned with the associated digital platforms and processes, which are further integrated into the overall roadmap.

Moreover, Boubyan's DGM remained operating during the COVID-19 challenges, to release new services during the pandemic. Accordingly, there were 4 retail mobile application releases, and 3 other website releases. For example, Boubyan introduced an appointment system for branch visits, which can be done through the retail mobile app, website, and/or through the Msa3ed chatbot. Concerning the Msa3ed Chatbot, Boubyan provided much necessary

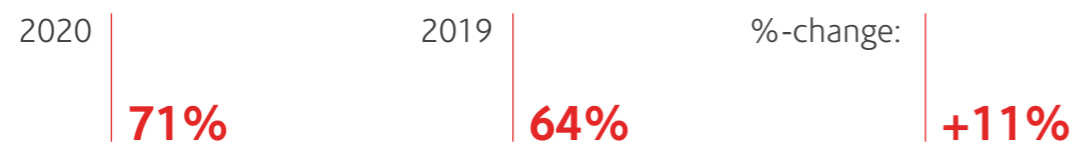
information to clients about the pandemic by redirecting the users to the proper governmental channels for the latest news and updates. DGM also had more than 40 change requests in production.

Furthermore, the DGM remained working at full capacity, including employees working remotely from their homes. During the lockdown, the priority was shifted towards the services that can help users in light of COVID-19 adaptation, including: the ability to digitally activate credit cards, manage fixed deposits, call-back, and provision of digital Eidya (gift).

Boubyan App Active Mobile Users

Boubyan measures the percentage of active mobile users on Boubyan App out of the total customer base, which increased from 64% in 2019 to 71% in 2020, which was about an -11% change increase, as shown in Figure 7.2d. To further assess this important KPI, Boubyan has conducted a detailed survey named "Boubyan App - Happiness and Satisfaction Study."

Figure 7.2d: Active Mobile Users



Digitization at Consumer Banking Group (CBG)

Digitization plays an important role with CBG. Digitization allows customers to perform a range of financial activities, such as payments and opening new products, directly from their mobile or desktop at home, without the need to go to a branch, which provides convenience and accuracy in terms of service to users. This has become crucial, especially in 2020, with the spread of COVID-19 and the need to

keep safe and social distance. Customers can perform various operations in a self-service mode, such as payments, card control, finance management and the opening of new saving and term deposits. Specifically, these can be done through Boubyan digital channels, including the mobile app, website, Chatbot, and WhatsApp. Then, the matters can conveniently be handed over to a Boubyan agent if any further information or support is required.

Digitization at Corporate Banking

Digitization is also important for Corporate Banking and the ability to serve corporate clients. Accordingly, corporate clients have 2 main ways to conduct their transactions digitally with Boubyan, which are namely through the Online Banking portal, or through the Corporate Banking Application. Digitization supports numerous functions, including (but not limited to) the following:

- Processing salaries
- Requesting new or renewing Murabahas
- Performing local and international transfers
- Performing single and/or bulk transfers
- Conducting cheque-book requests
- Audit certificate requests
- Viewing credit facility limits and utilization
- Providing detailed information related to cash and non-cash deals
- Others

Digitization in Light of COVID-19

At Boubyan, we have responded to COVID-19 by keeping our clients up to date through our notifications and digital platforms, as well as complying with the required regulations, including those from the Capital Markets Authority (CMA) and the Kuwait Banking Association (KBA). Specifically, digitization and technology have played an important role at Boubyan in light of the COVID-19 crisis. More information concerning the impact of digitization, specifically on products and services during COVID-19, is given below:

Case Study

Digitization Impact of Services and Products During COVID-19

Overview:

Although the COVID-19 pandemic heavily impacted the Finance Sector across the world, Boubyan succeeded in maintaining its provision of top-quality services to our clients through its digital channels, especially during Kuwait's full/partial lockdown phases, which lasted from April 2020 until September 2020.

Also, Boubyan kept introducing new digital services and updates to satisfy our client base. These included the following:

- 1) Mobile App update 6.10 in March, which contained:
 - Linking children accounts with the parent account: to View/Monitor children accounts balances, transfer from and to children accounts, open new children accounts.
 - Tracking the status of international transactions
- 2) Mobile App update 6.11 in June which contained:
 - Pause/Resume credit cards - ability of clients to temporarily activate and deactivate their credit card through the app
 - Partial withdrawals and deposits for AlMona and AlJana fixed deposits (FDs): ability to partially withdraw or deposit funds to/from existing fixed deposits without visiting the branches
 - Ability for CLICK users to open new FDs
 - ability to open fixed deposit for Youth segment without visiting the branches
 - Ability to send an email to the Relationship Manager (RM) and save their contact number
- 3) Mobile App update 6.12 in September which contain:
 - Activate Renewed Card - ability of clients to activate their credit cards, which are delivered for them through a carrier without the need to visit the branch or call the call center
 - Book Branch Visit - to comply with Kuwait laws of controlling maximum limits of people in the same place through providing customers with an appointment system, which they can use to book appointments to visit any Boubyan branch they prefer
- 4) Mobile App update 6.13 in October which contains:
 - PASS Service (ticketless and cashless parking) top up and registration - While the country was at the end of partial lockdown, Boubyan introduced through our app a service to register and top up PASS applications. PASS applications provide services to enter and exit car parking areas without the need for physical cash payment or any human interaction.
 - Ability to send email and get account relationship manager through the app
- MSa3ed Public Mode - ability to use Boubyan's chatbot through WhatsApp, without logging into the Boubyan App for certain services
- Msa3ed Call Back: a service that lets Boubyan's Chatbot respond back on behalf of the call center when the waiting period is too long to contact the call center. The chatbot also assists the caller in any inquiries through the app
- 5) Branch appointment updates through Boubyan's website, done in July 2020
- 6) On-board and open account through Boubyan Direct (ITM Machines), done in September 2020

Boubyan continued providing the existing services through BBYN app and the Msa3ed Chatbot, especially during the lockdown period, when all of Boubyan's branches were either closed or partially available. Boubyan customers were able to use our main digital channels (retail app and Chatbot) instead of visiting the branches for the main banking features, including;

- Opening accounts
- Opening fixed deposits
- Issuing debit/credit cards
- Renewing credit cards
- Balance inquiry
- Getting financial statement
- Local/international transfer
- Electronic vouchers
- Payments
- Card control
- Cradles withdrawals services
- Utap/Tap and pay



In addition, Boubyan provided customers with the option to continue auto paying for finance deals / credit card installments by user choice, after the Central Bank of Kuwait (CBK) instruction of stopping to deduct the monthly payments for the period between April to October 2020. Also, Boubyan customers were able to log in to Msa3ed and ask to resume the deduction of installments.

Objective:

The objective of digitization efforts during COVID-19 was to maintain providing full services and products through digital channels, and provide alternative channels rather than branches and the call center. Also, the objective was to provide new digital services that helped the customer with the current situation of social distancing.

Outcome:

The aforementioned objectives were achieved as per the details in the Overview section. The result of these digitization directions during COVID-19 was highly noticeable through the digital channels report, which showed significant increases on the retail app usage during the period between April to October of 2020. The following shows progress against various digitization KPIs for quarters 1 through 4.

Digitization KPIs Performance

- Total retail app users logging in:
 1. Q1 Average: 3,314,685
 2. Q2 Average: 3,673,756
 3. Q3 Average: 4,624,475
 4. Q4 Average: 4,814,872

- Fixed deposits through the retail app:
 1. Q1 Average: 1294 account
 2. Q2 Average: 1677 account
 3. Q3 Average: 1804 account
 4. Q4 Average: 1646 account

- Saving accounts through the app:
 1. Q1 Average: 2224 account
 2. Q2 Average: 3314 account
 3. Q3 Average: 3661 account
 4. Q4 Average: 2905 account

- Account to account transfer through the retail app:
 1. 2019: 971,725,421
 2. 2020: 1,496,330,402
 3. Change: 54% increase

Sustainability / ESG Aspects of Digitization
 Boubyan's digitization directions are linked to various environmental, social, and governance

(ESG) aspects, which are displayed in Figure 7.2e as follows.

Figure 7.2e: Sustainability / ESG Aspects of Digitization

Environment (E)	<ol style="list-style-type: none"> 1. Reduced the paper waste by designing many paperless journeys, including: On-Boarding Phase 2, Credit Card Issuance, and e-vouchers 2. Reduced ink consumption due to the less printing reliance 3. Introduced many branch services through the digital platforms to reduce the branch visits and consequently reduce time and transportation
Society (S)	<ol style="list-style-type: none"> 1. Introduced Digital Eidya (gift) to reduce human contact during the COVID-19 pandemic 2. Providing redirection through the Msa3ed Chatbot, especially helping with efficiency, convenience, accuracy, and communication COVID-19 news updates from official government channels 3. Providing new application skin for the youth segment to be more convenient for their banking activities.
Governance (G)	<ol style="list-style-type: none"> 1. All of our new digital services have been reviewed and confirmed by Boubyan's Compliance, Operational Risk, and Legal teams to make sure they are compliant with the national and CBK regulatory requirements. 2. All of our new Digital services have been communicated with the CBK for approval and feedback before the deployment date. 3. Digitization directions are ensured to be guarded with the appropriate governance mechanisms, controls, and checks-and-balances. 4. Specifically for BLME, digitization directions are done while being governed by the following: <ul style="list-style-type: none"> • General Data Protection Regulation (GDPR) • UK Data Protection Act of 2018 • UK Prudential Regulation Authority • Shari'a compliance • Payment Services Directive (PSD2)

More specifically concerning the environment, Boubyan's DGM plays a crucial part when it comes to measuring and assessing the environmental impacts and savings associated with digitization. These are explained in the following:

- The daily activities of the DGM does not require paper usage, and the full team relies on digital communication and system workflows, rather than paper communication.
- The digital teams are using applications like confluence and Jira to obtain any needed approvals digitally, rather than depending on manual paper signatures.
- In terms of client services, the DGM introduced many flows on the level of the retail app that does not need any paper wastage. These are listed as follows:

Credit card issuance:

Through the app, the user approval on any form within this journey is being approved digitally rather than providing a signature on physical papers

Certificates:

Boubyan clients can get any of their accounts or banking certificate digitally rather than visiting a local branch to request the printed certificates

Statement of account:

Boubyan clients can log into the retail app and receive a copy from their account statement without the need to print any paper copies

One KPI to assess the efficiency outcomes of digitization efforts is the number of customer reports generated digitally / electronically, rather than printed. These have successfully increased by a -% change of 36.4% (resulting indirectly in various environmental savings, including paper and ink) as displayed in Figure 7.2f as follows. In addition, Boubyan has 1 type of invoice that is generated digitally / electronically.

Cost Optimization through Digitization

Boubyan recognizes that digitization comes with a series of outcomes, including cost savings / optimization. The cost savings features of Boubyan's digitization directions are displayed in Figure 7.2g as follows.

Figure 7.2g: Digitization with Cost Optimization

Apache Maven	Payme job	Msa3ed chatbot	Push notifications	Apple iMessage notifications
SecDevOps onboarding	jRebel integration	DEV/SIT/QA	Payout – checkout	Business process management (BPM)
Integration services	Robotic Process Automation (RPA)	Internal management for platform upgrades	Ongoing proof of concept (POC)	

Figure 7.2f: Boubyan Digital / Electronic Customer Reports



Case Study

Digital Transformation of our Customer's Journey - Through the Msa3ed App

Overview:

An important digital channel developed was the Msa3ed Chatbot (Personal Assistance).

A happy and satisfied customer is at the heart of every successful venture, and the engine that keeps Boubyan running. At Boubyan, we realized early on the significance of reengineering our methodologies to listen, accept and adapt to our customers' needs to offer products and services that are relevant, and solve pain-points otherwise not addressed in the market.

We have launched many exciting and innovative products and services through our Digital Assistant, Msa3ed, which was the first artificial intelligence (AI) banking chatbot in Kuwait. Msa3ed serves as the mascot of Boubyan, identifiable as a 29-year-old married Kuwaiti man with an optimistic outlook on life. Questions that he often gets include:

"Are you married?"

"Do you dream?"

"Where do you work, Msa3ed?"

"Are you a human or a bot?"

As more users type, Msa3ed gets smarter. This is, in part, to a great team who maintains the highest standards of integrity and professionalism by teaching the bot all the nuances and grammatical complexities involved with supervised machine learning. Recently, we were proud to have successfully deployed an

artificial neural network to Msa3ed to detect patterns in data. We undertook the proof-of-concept to not only increase accuracy and confidence levels, but to enhance the human behavioral aspects of our digital assistant to new heights – all in line to serve our customers' needs and expectations.

WhatsApp Banking, in partnership with Infobip, was recently piloted and launched by Boubyan to further enhance our customer experience by offering an encrypted, secure and reliable way to conduct financial requests on the go. To tackle a greater market share and appeal to the masses, we have readily made available Msa3ed to all customers and non-customers alike, receiving quick responses to many inquiries, whether financial or non-financial requests.

We tailored the service to appeal further to our customers by allowing users to not only explore Boubyan's various products and services, but also listing their account balance, last 5 transactions on their accounts and credit cards, share the International Bank Account Number (IBAN), and more. Live chat handover to a customer care agent is available for further support. To tie it all in and remain consistent, we have launched Msa3ed Public, which enables accessibility to Msa3ed to all non-Boubyan users, allowing end-users to sift through Boubyan's wide-ranging financial portfolio, locate branches, or just to chat.

One rule-of-thumb for the success of Msa3ed, which is evidenced by exponential increases in usage as of late, comes down to a basic principle: Listen to what the customer really needs on a day-to-day basis, and map out the pain points. Year on year, we were able to effectively increase our unique user base by 26% and total logins by over 120%.

Many of the pain points are relatively hard to capture using standard data analytics. As a financial institution that fosters creativity and experimentation, we decided to launch a recent service to cater to use cases that weren't addressed by the books: The "Remind Me" feature was born, allowing our customers to receive actionable push reminders to pay their mobile and internet bills with the ability to execute payment on the reminder day instantly.

These initiatives set Boubyan ahead of the curve, allowing teams to invent unparalleled digital experiences while staying true to its mission statement and overall vision. Some features of Msa3ed are described below:

• Call Back:

Call Back is designed to reduce the pressure on the call center. This is especially useful during a heavy traffic period. Should a customer contact the call center during heavy traffic, and drops the call due to waiting time, the chatbot sends a push notification to the customer through a



push notification. The notification asks if the chatbot may assist the user, after which the user is either satisfied with Msa3ed's response, or the user can request to be called back by Boubyan's call center.

- My IBAN:

A service in which the chatbot can provide IBAN number for the users.

- My Next Salary Date:

One of the most frequent inquiries to Boubyan's call center team is usually the salary deposit date. To reduce the pressure on the call center, Msa3ed provides the expected salary date for each user automatically, whenever the customer inquiries about it.

- Transfer Excess Balance from credit card:

Many customers visit the branches to apply a request through branch staff to transfer any excess balance above the credit card limit back to his/her account. Previously, such request will be sent to Boubyan's Cards Operations Department to be executed. Now, both through mobile banking and the Msa3ed chatbot, the user can transfer his/her excess balance to his/her card automatically.

- Block or Unblock the Debit or Credit Card:

Through the Msa3ed chatbot customers can choose to block/unblock their debit/credit cards, either temporarily or permanently. Unlocking temporary blocks was only available through the call center and branches.

Objective:

The objective of the Msa3ed chatbot was to service the customers more conveniently and efficiently, allowing alternatives to call center and branch visits.

Outcomes:

The outcomes of the Msa3ed chatbot were achieved as the AI technology was able to conveniently and efficiently help customers with their needs, allowing them in certain cases to avoid the call center and branch visits.

Other Roles of Digitization

Digitization and technology make an impact both internally and externally, across several areas, as listed below.

Enhancing reputation:

Digitization helps maintain Boubyan's values internally and externally among stakeholders. Brand implications are especially evident in customer products and services, participating in webinars, and promoting brand values within professional networks.

Developing an agile mindset in Boubyan:

Boubyan internal stakeholders take pride in ownership, always working and collaborating with other divisions and departments towards achieving successful partnerships, while respecting their needs. We especially showed teamwork and cooperation while adapting to change, especially when it comes to the COVID-19 crisis and embracing technology. Ultimately, digitization enables us to deliver with a quality-first mindset.

Enhancing operational efficiency and excellence:

Digitization helped us achieve enhanced operational efficiency and excellence, especially by creating and following processes and procedures that reduced time and made workflows more convenient. This was especially done for contracting procedures with partners, and generally removing work hassles from our internal stakeholders. In addition, we were able to reduce operating costs of accessing new markets, by hiring more sales and operational staff.

Integrating technology into our services:

Technology enhanced our services in a number of ways. For example, we applied virtual reality (VR) technology to showcase and sell to new markets. We automated processes that had too many repetitive tasks, increasing efficiency. In addition, we applied automation and smart home technology to have more environmentally-friendly constructions.

Mitigating risks:






Technology has been useful to assess and mitigate our risks. Specifically, it provided for risk profiling, showing credit worthiness aspects. It also added value to scalability and simplicity to managing large transaction values, especially through mitigating the human errors that would be otherwise involved.



8 | Assessing Our Environmental Impact

We recognize that environmental aspects are important to sustainability, being one of the sustainability dimensions (MEWC), and relating to environmental aspects in ESG. Environmental performance is also integrated into a number of local and international sustainability frameworks. As such, the environment is a Sustainability – “Gene and Core Value” for Boubyan. Environmental matters specifically assessed include water, waste, energy, and greenhouse gas (GHG) emissions. To support these disclosures, 1 environmental material topic was prioritized as a result of engagement with stakeholders through materiality assessment.

SUSTAINABLE DEVELOPMENT GOALS

-  Clean Water and Sanitation
-  Responsible Consumption And Production
-  Climate Action
-  Life Below Water
-  Life on Land

8.1 Waste Management

(301-2, 306-1, 306-2, 306-3, 306-4)

As part of environmental performance, Boubyan assessed its waste consumption and management. This is important in sustainability as it shows that an organization is able to leave a minimal or well-managed mark on the environment while providing value to stakeholders. More information about Boubyan's waste management and results in this area are provided in this section.

Paper Consumption

Generally, we take on initiatives to reduce the use of paper, especially through the use of technology / digitization, and virtual communication (ie. email and share-folders), ultimately aiming for a green environment and paperless office. Accordingly, we measure our paper consumption by three types—namely cartons, reams, and paper sheets. Remarkably,

Boubyan decreased its paper consumption across each of the 3 types by -29% change from 2019 to 2020, as shown in Figure 8.1a. The difference was a decrease of paper consumption by specifically 3,172,500 pieces of A4 paper. The environmental saving outcomes of this reduction of paper is presented in Figure 8.1b, specifically showing savings in GHG emissions, energy, and water.

Every year, BLME recycles paper, with the exception of the year 2020, since staff only occupied the office for 2 months due to COVID-19. In 2019, BLME's paper recycling achievement was acknowledged by Paper Round with an annual award, showing a total recycling load of 1,670 kg, translating into savings of 2.34 MTCO_{2e}.

Figure 8.1a: Boubyan Paper Consumption

Paper Type	2020	2019	% Change
Paper Cartons (5 reams per carton) (2,500 papers per carton)	3,150	4,419	-29%
Reams of Paper	15,750	22,095	-29%
Sheets of Photocopy A4 Paper	7,875,000	11,047,500	-29%

Figure 8.1b: Environmental Savings of Paper Reduction

Environmental Saving	Amount	Units
Greenhouse Gas (GHG) emissions	129	MTCO _{2e}
Water usage	339,000	Imperial gallons (IG)
Energy usage	118,401	kWh

SROI Topic	SROI Level	Interpretation	Value Outcomes
Paper Consumption reduction	High	1.11 KD sustainability value for each 1 KD invested.	*Printing cost savings *Greenhouse gas (GHG) emissions savings *Water savings *Energy savings

Plastic Consumption

We assess our waste management through plastic use, where we measure our plastic consumption and implement initiatives to reduce it. Our plastic use is measured in 2 types,

where we successfully saw a -38% change decrease in plastic use from 2019 to 2020, as displayed in Figure 8.1c. Note that Boubyan has not yet implemented plastic recycling.

Figure 8.1c: Boubyan Plastic Use

Paper Type	2020	2019	% Change
Folder file pocket type 2660 packet (100 pieces per packet)	490	785	-38%
Pieces of plastic	49,000	78,500	-38%

SROI Topic	SROI Level	Interpretation	Value Outcomes
Plastic reduction	Medium	0.06 KD sustainability value for each 1 KD invested.	*Plastic cost savings *GHG savings from plastic reduction

8.2 Water Management

(303, 303-5)

Another facet of our environmental performance is how we measure and manage our water consumption. Similar to waste management, this shows the sustainability of the company by leaving a minimal or well-managed mark on the environment. More information about Boubyan's water management and its impact is provided in this section.

Regarding this area, Boubyan National has developed a plan to install photocell tap water faucets at the Boubyan headquarters and the new data center, which would help reduce the amount of water consumed. Accordingly, Boubyan reports its water consumption in Figure 8.2, expressed in total water consumption (IG). These cover Boubyan's 26 facilities, Boubyan Capital, Boubyan Takaful, and Boubyan National.

Figure 8.2: Water Consumption and Intensity



For BLME, the head office (Cannon Street) is equipped with waterless urinals in the toilets, installed by the landlord since 2018, to help reduce water discharge. Accordingly, the Green Apple Award was presented for this project in 2019. Additionally, water-saving faucet aerators have been installed in all washrooms and showers, since the end of 2019.

At Boubyan, for example, for electricity, we are using light-emitting diode (LED) lighting, in compliance with Kuwait Ministry of Electricity and Water (MEW) regulations, which helps reduce our electricity consumption. Our electricity consumption is further reduced by setting our heating, ventilation, and air-conditioning (HVAC) system at 24 degrees Celsius—around room temperature. In addition, Boubyan's headquarter building considers sustainability / green environment aspects in the design, derived from silver Leadership in Energy and Environmental Design (LEED) standard.

8.3 Energy Efficiency

(302-1, 302-5)

As part of our environmental impact, we measure and assess our energy consumption and efficiency. A sustainable organization is able to provide value to stakeholders while adequately managing its energy usage. More information about Boubyan's energy efficiency is provided in this section.

As per Figure 8.3, Boubyan reports its grid electricity consumption, expressed in total electricity consumption (kWh)—applicable to Boubyan's 26 facilities, Boubyan Capital, Boubyan Takaful, and Boubyan National.

Figure 8.3: Electricity Consumption and Intensity



For BLME, the head office is ensured by the landlord to only engage with energy suppliers who provide clean fuel, supported by the following certification:

- Renewable Energy Guarantees of Origin (REGO)
- Renewable Gas Guarantees of Origin (RGGO)

As a caveat, 2020 should not be considered as a baseline year, since it was an exceptional year due to COVID-19. A lot of the business had been converted to remote working, which resulted in indirect environmental reductions due to lockdown, and health and safety working measurements.

LED lighting has been used in BLME facilities since 2019, when it replaced conventional lighting. Also, the building management system (BMS) was optimized in relation to chillers and boilers in 2019, leading to energy savings. Furthermore, a metering project and energy management system (EMS) implementation are underway, and are planned to be completed by 2021.

Scope I

Scope I GHG emissions are defined as "all direct emissions from the activities of an organization, or under their control." For Boubyan, this is derived from the fuel consumption of owned cars, which is displayed in Figure 8.4a. As a result, Figure 8.4b shows the scope I GHG emissions calculated from owned cars, yielding a total of 75 MTCO_{2e}, 508 grams sulfur oxide (gSO_x), and 84 grams of nitrogen oxide (gNO_x) of scope I GHG emissions. Compared to 2019 figures, this is a -36% change decrease in CO_{2e}, -59% change decrease in SO_x, and -36% change decrease in NO_x. These emissions figures can also be expressed in intensity ratio figures per Boubyan employee—being displayed in the same figure.

8.4 Greenhouse Gas (GHG) Emissions and Intensity

(103-1, 103-2, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7)

An important KPI in assessing any entity's environmental performance, specifically its climate change / carbon footprint impact, is greenhouse gas (GHG) emissions. GHG emissions are often broken down into 3 scopes—scope I, scope II, and scope III—each reflecting different areas of GHG emissions. With this environmental baseline set, Boubyan aims to continue to measure, assess, and eventually reduce GHG emissions in total and within the associated scopes. More information about Boubyan's GHG emissions performance is provided in this section.

Figure 8.4a: Boubyan Fuel Consumption from Owned Cars and Vehicles - 2020



Figure 8.4b: Boubyan Scope I GHG Emissions and Intensity

Year	2019			2020			% Change (2019 to 2020)			
	GHG Emission	CO2e	SO x	NO x	CO2e	SO x	NO x	CO2e	SO x	NO x
Amount		118	1,258	132	75	508	84	-36%	-60%	-36%
Intensity Amount / employee		0.06	0.67	0.07	0.04	0.27	0.04	-36%	-59%	-36%
Units		MTCO2e	g SO x	g NO x	MTCO2e	g SO x	g NO x	MTCO2e	g SO x	g NO x

SROI Topic	SROI Level	Interpretation	Value Outcomes
Scope I GHG Emissions	Very High	2.03 KD sustainability value for each 1 KD invested.	*Greenhouse gas (GHG) emissions savings

Scope II

Scope II GHG emissions are defined as “indirect emissions from electricity used and purchased by the organization.” Accordingly, Figure 8.4c displays Boubyan’s scope II GHG emissions of 6,984 MT CO2e, derived from grid electricity consumption.

Figure 8.4c: Boubyan Electricity Consumption and Scope II GHG Emissions



Scope III

Scope III GHG emissions are defined as “all other indirect emissions from activities of the organizations, occurring from sources that they do not own or control.” For Boubyan, this is calculated from both business travel and from fuel consumption of non-Boubyan owned, third-party cars and vehicles (ie. rented / under contract).

Analysis of our business air travel is displayed in Figure 8.4f, noting that for this year, business travel data only pertained to Boubyan Bank, Boubyan Capital, and Boubyan National. The estimated amount is provided in CO2e, NOx, and SOx for 2020, expressed total amounts. Meanwhile, Figure 8.4g illustrates business travel GHG emissions for CO2e allocated among regions.

Information on fuel consumption of our non-Boubyan-owned cars and vehicles (ie. rented cars) is displayed in Figure 8.4d, with analyzed GHG emissions of rented cars expressed in both total and intensity figures in Figure 8.4e. These are each reflected in CO2e, NOx, and SOx units.

As an aggregate result, Figure 8.4h shows the total scope III GHG emissions calculated from both non-owned cars and business travel, yielding a total of 95 MT CO2e of scope III GHG emissions, as well as other NOx and SOx amounts.

Figure 8.4d: Boubyan Fuel Consumption from Non-Owned Cars and Vehicles - 2020



Figure 8.4e: Scope III GHG Emissions – Rented Cars Only

Year	2019			2020			% Change (2019 to 2020)			
	GHG Emission	CO2e	SO x	NO x	CO2e	SO x	NO x	CO2e	SO x	NO x
Amount		75	516	84	41	154	46	-45%	-70%	-45%
Intensity Amount / employee		0.04	0.27	0.04	0.02	0.08	0.02	-45%	-70%	-45%
Units		MTCO2e	g SO x	g NO x	MTCO2e	g SO x	g NO x	MTCO2e	g SO x	g NO x

Figure 8.4f: Scope III GHG Emissions – Air Travels Only

Year	2020		
GHG Emission	CO2e	SO x	NO x
Amount	92	627	103
Units	MTCO2e	g SO x	g NO x

*Note: Amounts calculated with the assumption of business class travel

Figure 8.4g: Scope III GHG Emissions per Region– Air Travels Only

Region	GHG Emissions (MTCO2e)
Middle East	19
Europe	73
Total	92

Figure 8.4h: Scope III GHG Emissions – Total - 2020

Type	Rented Cars + Air Travel		
GHG Emission	CO2e	SO x	NO x
Amount	133	780	149
Units	MTCO2e	g SO x	g NO x

Total GHG Emissions

The total GHG emissions in 2020 for Boubyan are presented in Figure 8.4i, covering rented cars (scope I), grid electricity (scope II), air travel (scope III), and non-owned cars (scope III). The total shows 7,085 MTCO2e in 2020, expressed as 3.8 MTCO2e per employee.

Figure 8.4i: Total GHG Emissions - 2020

GHG Scope	MTCO2e
Scope I	75
Scope II	6,984
Scope III	133
Total GHG	7,191

Climate Change Compliance

Generally, environmental matters at Boubyan are addressed by the Board at a high-level and indirect manner, such as in policy-making—ie. the Corporate Communication Policy.

For BLME, environmental matters are discussed at the Board Risk Committee and the Risk Management Department, and also communicated through brief papers. BLME has taken further steps to embed climate change matters into its governance, which are outlined as follows:

- The Chief Risk and Compliance Officer (CR&CO) has been allocated as the responsible Senior Management Function holder.

- The Executive Risk Appetite has been updated to include that every Credit Application must include an assessment of Climate Change impact on the client.
- The Macro Economic Update now includes a Climate Change Tracker presented through the Executive Risk Committee (ERC), Executive Committee (EXCO), and the Operational Risk Committee (BRC).
- A positioning paper has been presented through June’s ERC, setting out some further steps to be taken in order to identify, manage and report our exposure to Climate Change across both Transitional Risk and Physical Risk.
- Reference to pollution, waste, and resources issues has been added into BLME’s Corporate Social Responsibility Policy.

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Annex 1: Boubyan Training Courses - 2020

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
2020 IIF Annual Membership Meeting	40	2	80	Boubyan Bank
ABC's of Service	10	1	10	Boubyan Bank
ACAMs Inaugural Global Sanctions Masterclass	1.5	6	9	Boubyan Bank
ACAMS Webinar	1	1	1	Boubyan Bank
Acceptance Technical Optimization, Support for Acceptance Issues	1	1	1	Boubyan Bank
ACI Dealing Certificate	8	1	8	Boubyan Bank
ACI Dealing Certificate Course	45	2	90	Boubyan Bank
Agile Innovation and Problem-Solving Skills	8	1	8	Boubyan Bank
Agile Leadership Principles and Practices	8	1	8	Boubyan Bank
Anti-Money Laundering (AML) & Counter Terrorist Financing (CFT) Assessment 2020	2	1699	3398	All Boubyan Groups
Anti-Money Laundering (AML) & Counter Terrorist Financing (CTF) - Arabic	2	7	14	Boubyan Bank
Anti-Money Laundering (AML) & Counter Terrorist Financing (CTF) - English	2	4	8	Boubyan Bank
Anti-Money Laundering (AML) Training	2.5	214	535	Boubyan Bank
API Designer	6	1	6	Boubyan Bank
API Security Architect	7	1	7	Boubyan Bank
Applied Corporate And Business Law	6	1	6	Boubyan Bank
Archaeoastronomy	6	1	6	Boubyan Bank
Artificial Intelligence Intro	8	2	16	Boubyan Bank
Induction Program	48	147	7056	Boubyan Bank & Boubyan Capital & National
ATD MENA	14	2	28	Boubyan Bank
Automation Awareness Sessions - Automation Strategy	1.5	70	105	Boubyan Bank
AWS Certified Cloud Practitioner	8	1	8	Boubyan Bank
Being an Effective Team Member	8	1	8	Boubyan Bank
Boubyan Health Sessions	1	80	80	All Boubyan Groups
Boubyan Rewards Hackathon	8	9	72	Boubyan Bank
Build your own chatbot	8	2	16	Boubyan Bank
Business Etiquette - Central Sales	3.5	8	28	Boubyan Bank
CABBM-2020-G1-Certified Assistant Bank Branch Manager	35	6	210	Boubyan Bank
Certificate for Specialist in Demand Guarantees (CSDG)	8	1	8	Boubyan Bank
Certified Anti Money Laundering & Financial Crimes Prevention Professional (CAMLFC)	31.5	2	63	Boubyan Bank
Certified Bank Branch Operations Manager (CBBOM)	140	4	560	Boubyan Bank
Certified Enterprise Risk Manager	40	1	40	Boubyan Bank & Boubyan National
Certified Fraud Examiner	40	3	120	Boubyan Bank

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
Certified Fraud Examiner - ACFE	40	1	40	Boubyan Bank
Certified International Financial Accountant (CIFA)	25	2	50	Boubyan Bank
Certified Sharia Auditor Certificate (CSA) - Exam Only	7	5	35	Boubyan Bank & Boubyan Capital
Certified Strategy & Business Planning Professional	8	1	8	Boubyan Bank
Chargebacks Simplified	1	1	1	Boubyan Bank
CIA - Part 1	40	1	40	Boubyan Bank
CISI - Kuwait Capital Markets Authority Rules and Regulations	20	4	80	Boubyan Bank
CISSP Exam Preparation Training Course	28	1	28	Boubyan Bank
Coaching for Results	1.5	1	1.5	Boubyan Bank
Combating Financial Fraud & Related resources	8	1	8	Boubyan Bank
Communicating with Confidence	8	1	8	Boubyan Bank
Communication Foundations	8	1	8	Boubyan Bank
Conducting Usability Testing	8	1	8	Boubyan Bank
Corporate Compliance And Sarbanes-Oxley Act 2002	6	1	6	Boubyan Bank
Corporate Innovation & Fintech Collaboration	6	1	6	Boubyan Bank
Creative Thinking Techniques and Tools for Success	7	1	7	Boubyan Bank
Credit Assessment and Analysis	35	3	105	Boubyan Bank
Credit Card Sales Best Practices	2	12	24	Boubyan Bank
Critical Thinking and Problem Solving	8	3	24	Boubyan Bank
Customer Experience Masterclass	40	3	120	Boubyan Bank
Customer Experience with Master Card's Chief Experience Officer, Donald Chesnut	1	3	3	Boubyan Bank
Customer Relationship Management	8	2	16	Boubyan Bank
Customer Satisfaction & Loyalty	21	2	42	Boubyan Bank
Customer Service: Call Control Strategies	1	1	1	Boubyan Bank
Data Analytics	6	2	12	Boubyan Bank
Data Quality Fundamentals Certificate	6	1	6	Boubyan Bank
Data Visualization	1	1	1	Boubyan Bank
Data Visualization	8	1	8	Boubyan Bank
Decision-making and Problem-solving	8	1	8	Boubyan Bank
Defining Digital Payment	8	1	8	Boubyan Bank
Defining Digital Payments - Virtual	32	1	32	Boubyan Bank
Digital Strategies For Business	102	1	102	Boubyan Bank
Digital Transformation	6	1	6	Boubyan Bank
Digital Transformation (Coursera)	35	1	35	Boubyan Bank
Driving Stakeholder Value - Virtual Conference & Awards	4	1	4	Boubyan Bank
EDUTREX 2020 (Education and Training Expo) Virtual Exhibition	8	1	8	Boubyan Bank
Effective Innovation: Ideation Strategies, Tips & Tricks	1	1	1	Boubyan Bank
Effective Listening	8	1	8	Boubyan Bank
EIKON Certification from Refinitiv	8	3	24	Boubyan Bank
Embracing the Future of Learning	1.5	2	3	Boubyan Bank
Emotional Intelligence	18	1	18	Boubyan Bank
English for Business and Banking - Part 1	140	2	280	Boubyan Bank

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
English For Emails	31.5	3	94.5	Boubyan Bank
Excel 2016 Essential Training	8	1	8	Boubyan Bank
Excel Essential Training (Microsoft 365 / Office 365)	2	1	2	Boubyan Bank
Factual Cases & Practical Applications Sanction Requirements Ministerial Resolution No. 5 Workshop	7	15	105	Boubyan Bank & Boubyan Capital
Financial Accounting Foundations	6	1	6	Boubyan Bank
Financial Data Analysis for Leaders	6	2	12	Boubyan Bank
Financial Leadership During Pandemic	1	4	4	Boubyan Bank
FinTech Law & Policy	8	1	8	Boubyan Bank
Forensic Accounting & Fraud Examination	8	1	8	Boubyan Bank
FX/MM WORKSHOP - Bourse Game	47.5	3	142.5	Boubyan Bank
G1 Branch Managers Profitability Workshop	8	12	96	Boubyan Bank
G1 CC CS TL Time Management	3	12	36	Boubyan Bank
G1 RO Advance Sales Module	1	17	17	Boubyan Bank
G1 RO Operational Excellence	1	17	17	Boubyan Bank
G2 Branch Managers Profitability Workshop	8	12	96	Boubyan Bank
GIES Series 6 - Digitization of Banking: Lessons Learned from 2020	1	1	1	Boubyan Bank
Global Fintech Festival	8	1	8	Boubyan Bank
GO1 - E Learning (soft skills)	8	605	4840	Boubyan Bank & Boubyan Capital & National
Handling Difficult Situations	8	1	8	Boubyan Bank
Harvard ManageMentor	228	6	1368	Boubyan Bank
How to be an Adaptable Employee During Change and Uncertainty	8	1	8	Boubyan Bank
How to Make Working From Home More Effective	1	1	1	Boubyan Bank
How to Manage Time Effectively G1 - 2020	8	11	88	Boubyan Bank
How to Manage Time Effectively G2 - 2020	8	12	96	Boubyan Bank
HR Fundamentals	30	5	150	Boubyan Bank
Humble Leadership: The Power of Relationships, Openness, and Trust	8	1	8	Boubyan Bank
IDC CIO Summit 2020	8	1	8	Boubyan Bank
IELTS English Preparation Program - English Placement Test 2	1	3	3	Boubyan Bank
Improving Your Thinking	8	1	8	Boubyan Bank
INSEAD Negotiation Dynamics	21	2	42	Boubyan Bank
Inspiring Leadership Through Emotional Intelligence	8	1	8	Boubyan Bank
Intelligence Tools for the Digital Age	8	1	8	Boubyan Bank
Introduction to Data Analysis using Excel	8	3	24	Boubyan Bank
Islamic Banking Refresher Branches Support	2	6	12	Boubyan Bank
Islamic Finance and Capital Markets: Structure and Trading of Sukuk	8	1	8	Boubyan Bank
IT Security Awareness Training (Boubyan Capital)	1	33	33	Boubyan Capital
IT Security Awareness Training (Boubyan National)	1	26	26	Boubyan National
IT-Security Awareness (August Phishing Training - Phishing failed)	1	277	277	Boubyan Bank
IT-Security Awareness (COVID -19 Post-Click Education Message)	1	64	64	Boubyan Bank & Boubyan National

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
IT-Security Awareness Training	1	118	118	Boubyan Bank
KFAS Changing the Game: Negotiation and Competitive Decision-Making	42	1	42	Boubyan Bank
KFAS Customer Service Excellence	9	2	18	Boubyan Bank
KFAS Harvard Business Publishing Webinar	1	1	1	Boubyan Bank
KFAS Innovating in the Digital World - London Business School	105	1	105	Boubyan Bank
KFAS Leading in Times of Uncertainty: Leverage Systems Thinking to Build a Culture of Learning - Cornell	8	1	8	Boubyan Bank
KFAS London Business School: Mastering Digital Marketing	80	1	80	Boubyan Bank
KFAS Managing Business in Challenging Times - HEC	24	1	24	Boubyan Bank
KFAS Open Innovation for Leaders - UC Berkley	63	1	63	Boubyan Bank
KFAS Social Media Strategy & Management	18	1	18	Boubyan Bank
Kuwaiti Sign Language - Level 1	35	13	455	Boubyan Bank
Leadership and Organizational Behavior	8	1	8	Boubyan Bank
Leadership and Team Development	8	2	16	Boubyan Bank
Leadership Mindset	0.5	1	0.5	Boubyan Bank
Leadership Training	8	1	8	Boubyan Bank
Leading High-Performing Teams	7	3	21	Boubyan Bank
Leading Organisations in Disruptive Times	132	1	132	Boubyan Bank
Lean Awareness for Central Sales	2	8	16	Boubyan Bank
Lean Six Sigma Green Belt Exam (Certified Green Belt Project Leader)	7	1	7	Boubyan Bank
Learning Excel 2019	1	1	1	Boubyan Bank
Legal Overview	8	1	8	Boubyan Bank
Let's Break the Chain of COVID-19 Infection	2	5	10	Boubyan Bank
LinkedIn E-Learning Portal - access to all courses	120	118	14160	Boubyan Bank
LinkedIn Learning Virtual Summit	4	1	4	Boubyan Bank
Management/Leadership and Supervisory Skills	8	2	16	Boubyan Bank
Managing Virtual Teams	1	1	1	Boubyan Bank
Managing Your Team & People Management	8	2	16	Boubyan Bank
Masterclass: The Impact of Digital Transformation on Leadership	3	1	3	Boubyan Bank
MGT433: SANS Security Awareness: How to Build, Maintain, and Measure a Mature Awareness Program	16	1	16	Boubyan Bank
Microsoft Certified Azure Fundamentals	6	3	18	Boubyan Bank
Middle East Future Storming Client Conference	18	2	36	Boubyan Bank
Mindfulness Workshop	8	1	8	Boubyan Bank
Mobile User Experience (UX) Design	30	1	30	Boubyan Bank
Modern Office Management Program (MOMP) - Part 1	8	1	8	Boubyan Bank
Office 365 New Features	0.5	1	0.5	Boubyan Bank
Onboarding New Hires as a Manager	8.5	2	17	Boubyan Bank
Operational Support Client forum	28	2	56	Boubyan Bank
Oxford Real Estate	8	2	16	Boubyan Bank
Oxford School of Transaction Banking				
Payment Operations Basics	9	1	9	Boubyan Bank
People Management	7	1	7	Boubyan Bank
Placement Test - English for Business and Banking	2	4	8	Boubyan Bank

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
PMI-Risk Management Professional Exam Preparation Course	30	1	30	Boubyan Bank
PowerPoint	8	1	8	Boubyan Bank
PowerPoint 2016 Essential Training	3	1	3	Boubyan Bank
Practical Test-Driven Development for Java Programmers	4	1	4	Boubyan Bank
Problem Solving	21	5	105	Boubyan Bank
Project Management Professional (PMP)	30	2	60	Boubyan Bank
Public Speaking	8	2	16	Boubyan Bank
Remote Work Foundations	8	1	8	Boubyan Bank
Risk Management	8	1	8	Boubyan Bank
RO IJP 2020	14	25	350	Boubyan Bank
ScrumMaster Certification	8	1	8	Boubyan Bank
Seamless Saudi Arabia Virtual 2020	24	9	216	Boubyan Bank
Service Hero Excellence Seminar / Awards	3	7	21	Boubyan Bank
Six Sigma: Define and Measure	7	2	14	Boubyan Bank
Speed of Trust Foundations Workshop	5	3	15	Boubyan Bank
Sports Marketing	6	1	6	Boubyan Bank
SQL for Data Science	8	1	8	Boubyan Bank
STEP Conference	8	3	24	Boubyan Bank
Strategic Management Performance System (SMPS) Certification Bootcamp	42.5	4	170	Boubyan Bank
Strategic Thinking and Leadership - Wharton's Accelerated Development Program (ADP)	8	3	24	Boubyan Bank
Strategy & Operations	6	1	6	Boubyan Bank
Strengthening Cybersecurity Preparedness for Banks? Confirmation	2	1	2	Boubyan Bank
The Certified Islamic Specialist in Trade Finance (CISTF)	35	2	2	Boubyan Bank
The Certified Manager (CM) Certification- Exam Preparation Training Program - Part 2	14	2	2	Boubyan Bank
The Davos Human Capital 2020	2	2	2	Boubyan Bank
The Outward Mindset	18	1	1	Boubyan Bank
The Regional Outreach Seminar for the Arab Region on Enhancing Cross-Border Payments - the Road Ahead	2	1	1	Boubyan Bank
The Six Morning Habits of High Performers	8	1	1	Boubyan Bank
The Virtual Future Talent Conference 2020: Purpose, Meaning & Culture	3	2	2	Boubyan Bank
Time and People Management	8	1	1	Boubyan Bank
TOGAF 9 Foundation	7	1	1	Boubyan Bank
Training for Corporate Services & Products - Part I	2	6	6	Boubyan Bank
U.S.-Kuwait Business Council 4th Annual Economic Forum	2	1	1	Boubyan Bank
Understanding Credit Card Profitability	2	5	5	Boubyan Bank
Understanding Research Methods	8	2	2	Boubyan Bank
Understanding Visa Disputes (UVD) workshop	8	5	5	Boubyan Bank
Virtual Coaching	1	1	1	Boubyan Bank
Visa First - Virtual	31.5	1	1	Boubyan Bank
Visa Virtual Payments Forum MENA	2	2	2	Boubyan Bank
WMF Business Recovery Session 5: w/ Wafa AlQatami 'Economic Awareness	1	10	10	Boubyan Bank & Boubyan Capital
Workshop - Digital (There is always a space for improvement)	7	18	18	Boubyan Bank
IBM Training	8	137	137	Boubyan Bank

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
RM Operational Excellence	1	61	61	Boubyan Bank
RM Advance Sales Module	1	61	61	Boubyan Bank
IBS eLearning	8	339	2712	Boubyan Bank
General Management Program	200	1	200	Boubyan Bank
Customer Service Excellence	3	406	1218	Boubyan Bank
TeleSales Direct Sales	3	41	123	Boubyan Bank
Advance Sales Module	2	85	170	Boubyan Bank
RO Operational Excellence	2	84	168	Boubyan Bank
			44,519	

*Note: Total 206 training courses

Annex 2: Boubyan Training Courses – 2019

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
Annual VISA Middle East and North Africa (MENA) Client Forum	8	1	8	Boubyan Bank
Invitation by McKinsey's 1st Middle East Corporate Banking Roundtable	8	1	8	Boubyan Bank
Chargeback, Arbitration and Compliance Level 3	8	1	8	Boubyan Bank
1 Day Cyber Attack Simulation Exercise	8	4	32	Boubyan Bank
10th Annual AML & Financial Crime Conference - MENA	8	1	8	Boubyan Bank
2019 CFO Forum	8	1	8	Boubyan Bank
2019 Visa Bankcard Management School	8	1	8	Boubyan Bank
23rd CET CONFERENCE - KUWAIT	9	3	27	Boubyan Bank
2nd Annual Middle East COO Conclave in Financial Services	8	1	8	Boubyan Bank
360 Facilitation Workshop	8	16	128	Boubyan Bank
7th Annual Advanced Credit Risk Modeling Under IFRS 9	16	2	32	Boubyan Bank
8th Annual - Risk Data Aggregation and Risk Reporting	19	2	38	Boubyan Bank
AAOIFI Conference	16	2	32	Boubyan Capital
ACAMS 7th Annual AML & Financial Crime Conference	14	1	14	Boubyan Bank
Accounting Shenanigans on the Cash Flow Statement	8	1	8	Boubyan Bank
ACI – The Financial Markets Association	8	1	8	Boubyan Bank
Active Equity Management	48	2	96	Boubyan Capital
Advanced Certificate in Credit Management - 2020 (ACCM) - Part 1	90	2	180	Boubyan Bank

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
Advanced Negotiating Skills	16	10	160	Boubyan Bank & Boubyan Capital
Advanced Service and Sales	8	53	424	Boubyan Bank
Advanced Team Alignment Master Class				
Advanced Understanding of Financial Institutions from a fixed/structured finance risk perspective	14	3	42	Boubyan Bank
Agile and Creative Business	24	7	168	Boubyan Bank
AME Chicago International Conference 2019	18	1	18	Boubyan Bank
AME Chicago International Conference 2019	28	1	28	Boubyan Bank
AML & CFT for Board Members				
Anti-Money Laundering (AML) & Counter Terrorist Financing (CFT) Assessment 2020	3	13	39	Boubyan Bank
	2	1600	3200	All Boubyan Groups
AML & CFT Workshop				Boubyan Capital & Boubyan National
AML, Compliance, and Consumer Finance Workshop (BMs)	2	62	124	Boubyan Bank
Analytics Experience 2019 Milan 21 - 23 October	2	35	70	Boubyan Bank
Anti-Money Laundering and Combating the Financing of Terrorism AMLCFT Training	8	1	8	Boubyan Bank
Asian Regulations and Compliance	4	3	12	Boubyan Bank
Asset Liability Management	8	1	8	Boubyan Capital
ATD Master Trainer Certificate	18	1	18	Boubyan Bank
Auditing Digital Risk and Potential Vulnerabilities within an Organization	32	2	64	Boubyan Bank
Authentic Leader Development	16	14	224	Boubyan Bank
Automating Administration with Windows PowerShell	8	1	8	Boubyan Bank
Awareness on New Application for Commercial Portfolio	45	1	45	Boubyan Bank
Balance Sheet - Assets, Liabilities and Equity	2	3	6	Boubyan Bank
Banking Accounts & Services via Internet and Related Crimes	8	7	56	Boubyan Bank
Banking Confidentiality	10.5	3	31.5	Boubyan Bank
Banking Dispute Resolution Forum	10.5	4	42	Boubyan Bank
Basel III/Basel IV for Credit Department Staff	14	1	14	Boubyan Bank
Basics and Functions	28	4	112	Boubyan Bank
Basics of Treasury Management	8	1	8	Boubyan Capital
Best Practice in Operational Risk Management	21	4	84	Boubyan Bank
Bonds, Loans and Sukuk KSA forum	17	2	34	Boubyan Bank
Boursa Kuwait and MEIRA invitation to Making the Most of Your Annual Report and IR Website Seminar	8	1	8	Boubyan Bank
Building Crucial Payments Expertise - Beirut	8	1	8	Boubyan Bank
Buna Market Participant Onboarding Workshop	8	1	8	Boubyan Bank
Business & Data Analysis	21	13	273	Boubyan Bank
Business & Industry Analysis	8	8	64	Boubyan Bank
Business Continuity Management (BCM) Workshop	2	21	42	Boubyan Bank & Boubyan National
Business Ethics & Quality Control	2	102	204	Boubyan Bank
Business Etiquette	3	132	396	Boubyan Bank
Call Center Digital Skills Engagement Session 1	3	5	15	Boubyan Bank
Call Center Train the Trainer November 2019	16	10	160	Boubyan Bank
Cambridge General English Program - Placement Test	1.5	1	1.5	Boubyan Bank
Capital Markets Authority Law	10.5	3	31.5	Boubyan Bank
Card Profitability	8	1	8	Boubyan Bank
Cash Flow (specific reference to working capital and full cash flow cycle for corporate products and services)	16	9	144	Boubyan Bank

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
Cash Flow Statement	8	8	64	Boubyan Bank
CBK International Banking Conference 2019				Boubyan Bank & Boubyan Capital
Central Sales Academy	8	21	168	Boubyan Bank
CEO conference participation (speaker) and media interview	112	28	3136	Boubyan Bank
Certificate for Documentary Credit Specialists (CDCS) Exam	8	1	8	Boubyan Bank
Certificate in International Financial Reporting System (CertIFRS) Program - Exam Preparation	8	1	8	Boubyan Bank
Certificate Specialist of Demand Guarantee (CSDG) Exam	21	1	21	Boubyan Bank
Certified Bank Branch Manager - CBBM 2020	8	1	8	Boubyan Bank
Certified Credit Management (CCM) 2020	228	8	1824	Boubyan Bank
Certified Credit Management (CCM) 2020 - Placement Test	306	2	612	Boubyan Bank
Certified Enterprise Risk Manager	2	4	8	Boubyan Bank & Boubyan National
Certified Internal Auditor (CIA) - Part 1	39	1	39	Boubyan Bank
Certified Islamic Specialist in Capital Markets (CISCM)	213.5	3	640.5	Boubyan Bank
Certified Sharia Auditor Certificate (CSA)	32	1	32	Boubyan Capital
CFA Preparation Course	245	2	490	Boubyan Bank
Chargeback, Arbitration and Compliance Level 3	54	1	54	Boubyan Capital
Chatbots & Digital Customer Experience Summit	8	1	8	Boubyan Bank
Chatbots and Digital Customer Service Senate Dubai September 2019 & Dubai Product Leadership unConference	19	3	5	Boubyan Bank
CIA Training Material	8	3	24	Boubyan Bank
CIPD Level 5 Diploma in HRM Module 3	8	1	8	Boubyan Bank
Client Needs Analysis	40	2	80	Boubyan Bank
Client Relations Orientation	8	15	120	Boubyan Bank
Client Service Excellence	16	5	80	Boubyan Capital
CMA Awareness Session 3	8	13	104	Boubyan Bank & Boubyan Capital
Coaching Session for Call Center	8	7	56	Boubyan Capital
Code of Conduct Awareness Session (Corporate)	24	11	264	Boubyan Bank
Communicating with Impact	1.5	28	42	Boubyan Bank
Communication Skills	16	14	224	Boubyan Bank
Compliance & Governance	8	25	200	Boubyan Bank & Boubyan Capital
Consumer Finance & Compliance Workshop	2	6	12	Boubyan Bank
Consumer Protection - 2019	2	17	34	Boubyan Bank
Contracts Review, Drafting & Scope of Work	16	14	224	Boubyan Bank
Corporate Bonds	14	9	126	Boubyan Bank
Corporate Credit Analysis	8	1	8	Boubyan Bank
Corporate Finance and Credit Risk	8	1	8	Boubyan Bank
Creative & Innovative Thinking	8	1	8	Boubyan Bank
Credit Analysis	21	8	168	Boubyan Bank
Credit Markets	115.5	1	115.5	Boubyan Bank
Credit Risk Management	8	2	16	Boubyan Bank
Customer Protection Manual Session	8	3	24	Boubyan Bank
CXM & Sales Management Session for Part Timers (Direct Sales)	2.5	9	22.5	Boubyan Bank
Cyberthreats and Challenges for Financial Sector	12	1	12	Boubyan Bank
Data Analysis Training	4	3	12	Boubyan Bank
	30	10	300	Boubyan Bank

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
Defining Digital Payments	8	1	8	Boubyan Bank
Dell EMC - Executive Briefing	8	2	16	Boubyan Bank
Dell Technologies World	8	1	8	Boubyan Bank
Demonstration of Visa/Mastercard Issuance equipment	8	1	8	Boubyan Bank
Derivatives	8	10	80	Boubyan Bank
DevSecOps Training	2	18	36	Boubyan Bank
Digital Audit & Fraud Analytics	24	2	48	Boubyan Bank
Digital Leadership By Erik Qualman	7.5	6	45	Boubyan Bank
Digital Marketing and Social Media	21	1	21	Boubyan Bank
Digitalization in Banking Sector for Board Members	2	13	26	Boubyan Bank
Direct Sales Interactive Session	8	7	56	Boubyan Bank
Discounted Cash Flows	8	3	24	Boubyan Bank
EC-Council Disaster Recovery Professional v3	7	1	7	Boubyan Bank
Economics in a Global Context	8	7	56	Boubyan Bank
Effective Business Writing	8	5	40	Boubyan Bank
EFG Hermes Investors Conf + meeting with PRA + BLME	8	1	8	Boubyan Bank
Electronic Transactions and Electronic Payment Instruments	14	1	14	Boubyan Bank
English Conversation Level 1	31.5	1	31.5	Boubyan Bank
English Conversation Level 2	31.5	2	63	Boubyan Bank
English for Business and Banking - Placement Test	2	1	2	Boubyan Bank
English Placement Test & Psychometric Test for the RMLP-2019	2	3	6	Boubyan Bank
English Test for Certified Bank Branch Manager-2020 - Placement Test	1	13	13	Boubyan Bank
EQ Core Certification Workshop	32	1	32	Boubyan Bank
Equities	8	8	64	Boubyan Bank
Equity Capital Markets	8	1	8	Boubyan Bank
Ethics, Integrity and Fairness	8	2	16	Boubyan Bank
Excellence Program for Team Leaders in Call Center (Discovery Phase)	24	16	384	Boubyan Bank
Executive Development Program	90	1	90	Boubyan Bank
Executive Transition Master Class	8	1	8	Boubyan Bank
Executive Development Program	8	1	8	Boubyan Bank
Experience 2019	8	4	32	Boubyan Bank
Experienced Staff Training in Al-Hamad Tower (HR, Customer Protection, AML, and Islamic Banking)	12	14	168	Boubyan Bank
Exploiting Disruption in a Digital World	47.5	1	47.5	Boubyan Bank
Factual Cases & Practical Applications Sanction Requirements Ministerial Resolution No. 5 Workshop	8	12	96	Boubyan Bank & Boubyan Capital
Financial Math - Introduction	8	6	48	Boubyan Bank
Finacle Conclave 2019 - annual banking leadership summit + Finastra Universe	8	2	16	Boubyan Bank & Boubyan Capital
Financial Institutions Credit Analysis	8	6	48	Boubyan Capital
Financial Instruments	8	13	104	Boubyan Bank & Boubyan Capital
Financial Math - Introduction	8	2	16	Boubyan Bank & Boubyan Capital
Financial Modelling - 3 Statement	8	2	16	Boubyan Bank
Financial Modelling - Excel Basics	8	1	8	Boubyan Bank & Boubyan Capital

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
Financial Modelling - Excel Functions	8	1	8	Boubyan Bank & Boubyan Capital
Financial Modelling - Excel Skills	8	4	32	Boubyan Bank
Financial Statements - Balance Sheet	8	6	48	Boubyan Bank & Boubyan Capital
Financial Statements - Profit and Loss Account	8	8	64	Boubyan Bank & Boubyan Capital
Financial Statements Analysis	8	1	8	Boubyan Bank
Financial Techniques Applied by Islamic Banks	8	2	16	Boubyan Bank
Financing	8	1	8	Boubyan Bank
Finastra Universe - Dubai	8	1	8	Boubyan Bank
FinTech Abu Dhabi	16	6	96	Boubyan Bank
Fixed Income	8	1	8	Boubyan Bank
Fixed Income - Basic Concepts	8	4	32	Boubyan Bank
Formulae and Text Functions	8	1	8	Boubyan Bank & Boubyan Capital
Fraud Management for Issuers and Acquirers	8	2	16	Boubyan Bank
Fraud Prevention for Issuers and Acquirers	8	2	16	Boubyan Bank
Fraud Prevention for Issuers and Acquirers - VISA	8	1	8	Boubyan Bank
FTIE - The Digital Revolution in the Financial Sector	21	2	42	Boubyan Bank
Fundamentals of Islamic Banking and Finance qualification	8	1	8	Boubyan Bank & Boubyan Capital
Fundamentals of Islamic Finance - Session 1	2	7	14	Boubyan Bank & Boubyan Capital
Fundamentals of Islamic Finance - Session 2	2	14	28	Boubyan Bank & Boubyan Capital
Fundamentals of Islamic Finance - Session 3	2	10	20	Boubyan Bank & Boubyan Capital
Fundamentals of Project Finance	8	3	24	Boubyan Bank
Fundamentals of Securitization	8	1	8	Boubyan Bank
Fundamentals of Sovereign and Public Entity Credit Analysis	8	1	8	Boubyan Bank
Fundamentals of Technical Analysis	40	7	280	Boubyan Bank & Boubyan Capital
G1 - Customer Onboarding On ITM - iMAL Workshop	4	8	32	Boubyan Bank
G1 Branches AML - GUST (October 2019)	2	21	42	Boubyan Bank
G1 Call Centre Excellence for Team Leaders (September 2019)	16	14	224	Boubyan Bank
G1 Excellence Program for Team Leaders and Supervisors in Call Center Heart & Brain (October 2019)	16	15	240	Boubyan Bank
G2 - Customer Onboarding On ITM - iMAL Workshop	4	3	12	Boubyan Bank
G2 Branches AML - GUST (October 2019)	2	21	42	Boubyan Bank
G2 Call Centre excellence for Team Leaders (September 2019)	16	17	272	Boubyan Bank
G2 Excellence Program for Team Leaders and Supervisors in Call Center Heart & Brain (October 2019)	16	15	240	Boubyan Bank
G3 - Customer Onboarding On ITM - iMAL Workshop	4	3	12	Boubyan Bank
G3 BCM	2	6	12	Boubyan Bank
G3 Branches AML - GUST (November 2019)	2	23	46	Boubyan Bank
G4 - Customer Onboarding On ITM - iMAL Workshop	4	5	20	Boubyan Bank
G4 Branches AML - Internal (November 2019)	3	11	33	Boubyan Bank
G5 Branches AML - Internal (November 2019)	2	19	38	Boubyan Bank

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
GAQM - Certified Team Leader	7	1	7	Boubyan Bank
GCC RTGS & Buna Payment Workshop	8	1	8	Boubyan Bank
General Management Program - GMP	8	1	8	Boubyan Bank
General Management Programme (GMP)	80	1	80	Boubyan Bank
Global Custody	8	4	32	Boubyan Bank & Boubyan Capital
Global Finance Digital banking conference	8	2	16	Boubyan Bank
Global Financial Compliance	8	5	40	Boubyan Bank & Boubyan Capital
Go & See IsBank Turkey	8	1	8	Boubyan Bank
Heart Saver First Aid CPR AED Course	8	1	8	Boubyan Bank & Boubyan Capital
HR / Sharia / Customer Protection / AML	8	12	96	Boubyan Bank
HR Session - Internal (November 2019)	2.5	4	10	Boubyan Bank
HR Symposium	7.5	5	37.5	Boubyan Bank
ICA International Advanced Certificate in Anti Money Laundering	40	1	40	Boubyan Bank & Boubyan Capital
IELTS English Preparation Program - English Placement Test	1	1	1	Boubyan Bank
IIF Annual Meeting - 2019	19	4	76	Boubyan Bank & Boubyan Capital
IIF MENA CRO Forum, 14th high level meeting for the arab region	8	1	8	Boubyan Bank & Boubyan Bank
iMAL Assets	32	7	224	Boubyan Capital
IMF Conference	8	2	16	Boubyan Bank
Implementing Winning Strategies	8	1	8	Boubyan Bank
Implementing Winning Strategies Program	28	1	28	Boubyan Bank
Induction Program	112	251	28112	Boubyan Bank & Boubyan Capital
Initial Public Offering - IPO	8	1	8	Boubyan Bank
Innovation and Design Thinking	16	22	352	Boubyan Bank
INSEAD Digital Transformation Leadership Program	36	2	72	Boubyan Bank
Integrated Approach to Rehabilitation & Develop The Internal Audit - Basic Level	45	1	45	Boubyan Bank
Interest Rate Swaps	8	5	40	Boubyan Bank
Interest Rates and Risk	8	1	8	Boubyan Bank & Boubyan Capital
International Professional Certificate in Anti-Money Laundering	20	3	60	Boubyan Bank
International Professional Certificate in Regulatory Compliance	20	1	20	Boubyan Bank
International SME Business Banking Forum - London	8	1	8	Boubyan Bank
Introduction to Fixed Income	8	1	8	Boubyan Bank
Introduction to Global Capital Markets	8	1	8	Boubyan Bank & Boubyan Capital
Introduction to Investment Management	8	1	8	Boubyan Bank & Boubyan Bank
Introduction to Islamic Banking & Finance	8	1	8	Boubyan Capital
Introduction to Islamic Banking & Finance	8	17	136	Boubyan Bank & Boubyan Capital
Introduction to Legal Documentation	7.5	12	90	Boubyan Bank

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
Introduction to Risk	8	2	16	Boubyan Bank & Boubyan Capital
Introduction to Structure Finance	14	8	112	Boubyan Bank
Introduction to Valuation	8	1	8	Boubyan Bank
ISD & BCM Tabletop Exercise 2019 - Customer Data Breach	2	9	18	Boubyan Bank
Islamic Asset & Fund Management	8	5	40	Boubyan Bank & Boubyan Capital
Islamic Banking Session	2.5	8	20	Boubyan Bank
Islamic Banking Workshop for Central Sales	2	89	178	Boubyan Bank
Islamic Bond Market - Sukuk	8	5	40	Boubyan Bank
Islamic Credit and Finance Contracts	14	1	14	Boubyan Bank
Islamic Hedging	14	2	28	Boubyan Bank
Islamic Law of Contracts	8	1	8	Boubyan Bank
IT Security Manager	21	2	42	Boubyan Bank
ITFC Conference	8	1	8	Boubyan Bank
ITIL v.3 Foundation Certification	32	8	256	Boubyan Bank
Key Financial Statements	8	6	48	Boubyan Bank
Kuwait Corporate Day - Morgan Stanley & Boursa Kuwait	8	1	8	Boubyan Bank
Labor Law No.6 of 2010 and the Latest Updates for 2019	8	3	24	Boubyan Bank
Leadership Development	150.5	1	150.5	Boubyan Bank & Boubyan Capital
Legal Aspects of Credit Collaterals	14	1	14	Boubyan Bank
Level 3 International Award in Delivering Training	40	1	40	Boubyan Bank
Leveraged Buyouts	8	3	24	Boubyan Bank
Lifecycle of a Trade	8	4	32	Boubyan Bank & Boubyan Capital
Liquidity and Cash Conversion Cycle	8	10	80	Boubyan Bank
Liquidity Risk Management in Islamic Banks	14	1	14	Boubyan Bank
Loans	8	3	24	Boubyan Bank
Macro Economics	8	4	32	Boubyan Bank
Management and Leadership Skills	8	15	120	Boubyan Bank & Boubyan Capital
Management Assessment	8	1	8	Boubyan Bank
Managing Virtual Teams	8	1	8	Boubyan Bank
Marketing and Sales Show	16	2	32	Boubyan Bank
Mastercard - Chargeback, Arbitration and Compliance Level 3	21	2	42	Boubyan Bank
Mastercard MENA Leadership Council	8	1	8	Boubyan Bank
McKinsey Capability Building Workshop	8	17	136	Boubyan Bank
McKinsey's Leading with inner Agility - Centered Leadership Program	8	1	8	Boubyan Bank
Me Inc	24	2	48	Boubyan Bank & Boubyan Capital
Measuring Customer Satisfaction and Complaint Handling	21	2	42	Boubyan Bank
Micro Focus Experience Event 2019	8	1	8	Boubyan Bank
Microsoft Analyzing Data with Power BI	24	16	384	Boubyan Bank
Microsoft Office Excel 2016 Intermediate to Advanced	16	9	144	Boubyan Bank
Microsoft Office PowerPoint 2016 Advanced	8	7	56	Boubyan Bank
Money Market in Islamic Banks	7	4	28	Boubyan Bank & Boubyan Capital

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
Money Markets	8	3	24	Boubyan Bank
Moody's Credit Lens Training - Spreading and Subjective	16	8	128	Boubyan Bank
Morgan Stanley and Boursa Kuwait - Kuwait Corporate Day in London	8	3	24	Boubyan Bank
National Unit of Kuwait Students	8	3	24	Boubyan Bank
Negotiation Skills	8	17	136	Boubyan Bank
Network International Workshop	8	1	8	Boubyan Bank
Opportunities and Services (Available in the OTC Platform)	8	2	16	Boubyan Bank & Boubyan Capital
Overview of DELL EMC Latest Technologies	8	1	8	Boubyan Bank
Parallel Thinking and Creativity	18	1	18	Boubyan Bank
Personal Effectiveness and Leadership	24	1	24	Boubyan Bank & Boubyan Capital
Personal Effectiveness and Leadership Thinking	18	1	18	Boubyan Bank
PLD model 5	40	1	40	Boubyan Bank
Plug & Play - Silicon Valley Program	28	5	140	Boubyan Bank
Plug and Play ADGM Demo Day	8	2	16	Boubyan Bank
Portfolio Management Skillsets for Private Bankers	56	16	896	Boubyan Bank
Portfolio Management Skillsets for Private Bankers - Assessment Day	4	15	60	Boubyan Bank
PowerPoint and Presenting: Intro and Overview	8	2	16	Boubyan Bank
Product Knowledge (Central Sales Academy) [Refresh]	8	7	56	Boubyan Bank
Product Leadership unConference	8	3	24	Boubyan Bank
Product Owner Workshop	3	10	30	Boubyan Bank
Project Implementation Workshop	6.5	3	19.5	Boubyan Bank
Project Management Essential	16	13	208	All Groups
Project Management Professional (PMP) - 2020	60	5	300	All Groups
Ratings Agency'	8	7	56	Boubyan Bank
Realizing the Enterprise Data Cloud Roadshow	8	2	16	Boubyan Bank
Recent Developments	8	2	16	Boubyan Bank & Boubyan Capital
Restructuring and Subordination	8	6	48	Boubyan Bank
Risk Awareness Session 1	8	11	88	Boubyan Bank & Boubyan Capital
Risk Awareness Session 2	8	11	88	Boubyan Bank & Boubyan Capital
Risk Awareness Session 3	8	14	112	Boubyan Bank & Boubyan Capital
Risk Awareness Session 4	24	13	104	Boubyan Bank & Boubyan Capital
Risk Based Audit Masterclass	8	15	360	Boubyan Bank
Risk Management in Banks	8	8	64	Boubyan Bank
Risk Model Validation	8	1	8	Boubyan Bank
RiskMatrix Workshop - CreditLens Credit Assessment & Origination	7	3	24	Boubyan Bank
RM Workshop 22.8.2019	24	19	133	Boubyan Bank
RO Workshop	8	35	840	Boubyan Bank
RSA Authentication Manager Administration	14	1	8	Boubyan Bank
RSA SecurID Suite Training Credit for Administration	8	1	14	Boubyan Bank
SAP - Experience Business Center	0	5	40	Boubyan Bank
SAS Certified Advanced Analytics Professional (Online)		2	0	Boubyan Bank

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
SEC504: Hacker Tools, Techniques, Exploits, and Incident Handling	40	1	40	Boubyan Bank
SEC560: Network Penetration Testing and Ethical Hacking	40	5	200	Boubyan Bank
Securitization	8	1	8	Boubyan Bank
Shaping Business Decisions Bringing Behavioral in Practice	21	1	21	Boubyan Bank
Shareholder and Ownership Risk	8	4	32	Boubyan Bank
SHRM Certified Professional (SHRM-CP) SHRM Senior Certified Professional (SHRM-SCP)	196	2	392	Boubyan Bank
SHRM Essentials of Human Resources Certification-Exam Preparation	21	1	21	Boubyan Bank
Sibos Conference 2019	28	3	84	Boubyan Bank
Sibos Conference 2019 - London	8	3	24	Boubyan Bank
Sign Language	16	8	128	Boubyan Bank
Silicon Valley Innovation Center	8	5	40	Boubyan Bank
Six Sigma Black Belt Certification Program	52.5	1	52.5	Boubyan Bank
SO Refresher	2	6	12	Boubyan Bank
SO's Focus Workshop	8	42	336	Boubyan Bank
Strategic HR Mindset	21	2	42	Boubyan Bank
Supervisory Skills for First Time Leaders	16	18	288	Boubyan Bank
SWIFT Regional Conference Turkey and Middle East	16	2	32	Boubyan Bank
Talent Hackathon - Group 1	27	21	567	Boubyan Bank
Talent Leaders 2019	40	31	1240	Boubyan Bank & Boubyan Capital
Team Building	8	1	8	Boubyan Bank
The 5th Mediterranean Islamic Finance Forum and CIBAFI				
Technical Workshop - CIBAFI Conference - Barcelona	8	1	8	Boubyan Bank
The 9th Annual EFG Hermes London Conference	8	2	16	Boubyan Bank

Training course	Hours per Participant	# of participants	Total Hours	Subsidiary / Department
The 9th Annual Forum For Heads of AML & CFT Compliance Units in Arab Banks & Financial Institutions	8	1	8	Boubyan Bank
The Arab Monetary Fund (AMF) Workshop for BUNA System.	8	1	8	Boubyan Bank
The Berkeley Executive Leadership Program	8	1	8	Boubyan Bank
The Big 5 Global Hub for the Construction Industry	8	2	16	Boubyan Bank
The Certified Manager (CM) Certification- Exam Preparation Training Program - Part 1	280	2	560	Boubyan Bank
The Digital Revolution in the Financial Sector	24	1	24	Boubyan Bank & Boubyan Capital
The Foreign Account Tax Compliance Act (FATCA)	24.5	5	122.5	Boubyan Bank
The Kit	8	1	8	Boubyan Bank
The Practical Problems in the Execution Procedures	10.5	3	31.5	Boubyan Bank
Thomas International PPA Certification	15	2	30	Boubyan Bank
Time Management	8	16	128	Boubyan Bank & Boubyan Capital
TOGAF 9 Foundation Certification	16	12	192	Boubyan Bank
TOT PCT Practitioner	27.5	1	27.5	Boubyan Bank
Trade Finance	8	16	128	Boubyan Bank
Trading Comparables	8	4	32	Boubyan Bank
Training Session for Business Continuity Awareness (Area Managers)	2	5	10	Boubyan Bank
Transaction Comparables	8	1	8	Boubyan Bank
UK Regulation and Compliance	8	2	16	Boubyan Bank & Boubyan Capital
UK Regulations Update	8	2	16	Boubyan Bank
UL Token & Mobile Payments Masterclass	18	3	54	Boubyan Bank
Understanding Derivatives, Commodities, Money Market Rates and Bond Rates	8	1	8	Boubyan Bank
US Regulation and Compliance	8	3	24	Boubyan Bank
User Experience Lab - Applied Innovation	21	4	84	Boubyan Bank
Visa - Building Crucial Payment Expertise	21	1	21	Boubyan Bank
Visa - Effective Card Portfolio workshop	16	1	16	Boubyan Bank
Visa - Fraud Prevention for Issuers and Acquirers	14	1	14	Boubyan Bank
Visa CEMEA Risk Executive Council & Security Summit 2019	8	2	16	Boubyan Bank
Visa to Host Operational Support Client Forum in Kuwait	7.5	1	7.5	Boubyan Bank
VisaNet Financial Management	8	1	8	Boubyan Bank
VMware World Conference	8	3	24	Boubyan Bank
Women & Leadership in Global Business	30	1	30	Boubyan Bank
Working Remotely	8	5	40	Boubyan Bank
World Check Training	1.5	12	18	All Groups
التدقيق الشرعي على الفروع المصرفية	2.5	6	15	Boubyan Bank
دورة تدابير الدفاع المدني للعشرون لموظفي الأمن والسلامة بالشركات والبنوك	8	1	8	Boubyan Bank & Boubyan Capital
مكافحة غسل الأموال وتمويل الإرهاب	8	1	8	Boubyan Bank
منتدى فض المنازعات المصرفية	8	1	8	Boubyan Bank
مؤتمر أيوفي - البنك الدولي السنوي الرابع عشر	8	3	24	Boubyan Bank
ندوة للتعريف بنظام المدفوعات الخليجي	8	3	24	Boubyan Bank
Total			62,291	

Note: Total 361 training courses

Annex 3: BLME Training Courses - 2019 and 2020

Training course	2020			2019			
	Hours	# of participants	Position Level	Training course	Hours	# of participants	Position Level
Leader's Lunch and Learn	1	18	ExCo, Department Heads & Line Managers	Conduct at Work	1	120	ALL
Transition from LIBOR	0.5	80	ALL	EXCEL Advanced	7	8	ALL
Mental Health Awareness at work	4	19	ALL	EXCEL Advanced	7	8	ALL
Mental Health Awareness at work	4	18	ALL	Mental Health Awareness at Work	4	80	ALL
Islamic Finance Qualification	21	9	ALL	Islamic Finance Qualification	21	15	ALL
Presentation Skills	6	9	ALL	EXCEL Intermediate	7	8	ALL
Managing and Leading Teams	6	2	line managers	EXCEL Intermediate	7	8	ALL
CeMap	32	11	ALL	Presentation Skills	14	10	ALL
Conduct and Culture	2	19	ExCo, SLT, & Board	Mental Health First Aid Qualification	14	4	ALL
Intro to UK Asset Finance	1	9	Board plus ExCo	Compliance	1	120	ALL
Cyber Fraud	1	100	Board	Dignity at Work	1	120	ALL
Resilience	1	100	ALL	Mental Health Awareness	1	120	ALL
Fraud Prevention	1	100	ALL	Culture and Conduct in a Regulated	1	120	AL
ExCo Offsite with Executive Coach	16	7	ExCo	Whistle Blowing	1	120	ALL
Executive Coaching	17	17	ExCo, Department Heads & Line Managers	Cyber Security and Crime Awareness	7	17	ALL
				Treating Customers Fairly			
E Learning Modules (Compliance, Fin Crime, Cyber, GDPR and HR)	6	80	ALL	Executive Coaching	68	17	ALL
Health & Safety	70	1	Manager	Team Purpose, Strategy and Insight	16	60	ExCo, Department Heads & Line Managers ALL

Annex 4: Global Reporting Initiative (GRI) Index

GRI Standard	Page / Information
102-1	Name of organization Boubyan Bank
102-2	Activities, brands, products, and services 17, 82-88
102-3	Location of headquarters Kuwait City, Kuwait, 12
102-4	Location of operation 17
102-5	Ownership and legal form 12
102-6	Markets served 17
102-7	Scale of the organization 17, 108 Annual Report https://boubyan.bankboubyan.com/en/Explore-boubyan/investors-relations/annual-reports/
102-8	Information on employees and other workers 108-121
102-9	Supply chain 104-105
102-11	Precautionary principles or approach Integrated within risk management approach 58-60, 62-63
102-12	External initiatives 28-29
102-13	Membership of Associations 8
102-14	Statement from senior decision-maker 2-6
102-15	Key impacts, risks and opportunities 49-51, 54-58
102-16	Values, principles, standards, and norms of behavior 14-15, 66-68
102-17	Mechanisms for advice and concerns about ethics 67, 69-70
102-18	Governance structure 38-40, 46
102-19	Delegating authority 38
102-20	Executive-level responsibility for economic, environmental and social topics 38, 44
102-21	Consulting stakeholders on economic, environmental and social topics 20-23
102-22	Composition of the highest governance body and its committees 38-42
102-23	Chair of the highest governance body 38
102-24	Nominating and selecting the highest governance body 43
102-25	Conflicts of interest 66-68
102-26	Role of highest governance body in setting purpose, values and strategy Annual Report https://boubyan.bankboubyan.com/en/Explore-boubyan/investors-relations/annual-reports/
102-27	Collective knowledge of highest governance body Not specifically disclosed, though Board collective knowledge mainly involves economic matters, described through Chapter 3 - Page 36
102-28	Evaluating the highest governance body's performance 43
102-29	Identifying and managing economic, environmental and social impacts 23 and throughout the sustainability report
102-30	Effectiveness of risk management processes 49-51, 63-64
102-31	Review of economic, environmental, and social topics Throughout all sustainability report
102-32	Highest governance body's role in sustainability reporting 42, 167
102-33	Communicating critical concerns Throughout all sustainability report and especially in materiality assessment (pg 30)
102-35	Remuneration policies 68, 113
102-36	Process for determining remuneration 113
102-37	Stakeholders' involvement in remuneration Not disclosed
102-38	Annual total compensation ratio Not disclosed
102-39	Percentage increase in annual total compensation ratio Not disclosed
102-40	List of stakeholder groups 25
102-41	Collective bargaining agreements Labor unions are not relevant as per Kuwait law
102-42	Identifying and selecting stakeholders 24-25
102-43	Approach to stakeholder engagement 24-25
102-44	Key topics and concerns raised 20-23
102-45	Entities included in the consolidated financial statements Annual Report https://boubyan.bankboubyan.com/en/Explore-boubyan/investors-relations/annual-reports/
102-46	Defining report content and topic boundaries 1
102-47	List of material topics 21
102-48	Restatements of information No restatements as this is the first sustainability report
102-49	Changes in reporting No changes in reporting since this is the first sustainability report
102-50	Reporting period 1st January 2020 - 31st December 2020
102-51	Date of most recent report This report is the first published sustainability report for Boubyan Group for the year 2020
102-52	Reporting cycle Annual
102-53	Contact point for questions regarding the report 1 info.sustainability@bankboubyan.com"
102-54	Claims of reporting in accordance with the GRI Standards 1 This report has been prepared in accordance with the GRI standards: core option"
102-55	GRI content index The GRI content is provided here (184)
102-56	External assurance No formal independent external assurance of the sustainability report was conducted
103 (103-1, 103-2, 103-3)	Digitization and technology In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Innovation In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Responsible services and solutions In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Customer experience In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Dynamic Islamic services In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Brand power and recognition In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Sound governance In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Risk management and business resiliency In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	SME support In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Youth empowerment In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Diverse community impact In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	National empowerment In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Capacity building In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Employee diversity and inclusion In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Employee rights and engagement In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Health and safety In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Sustainable procurement In materiality and throughout the report (21-23)
103 (103-1, 103-2, 103-3)	Environmental Impact In materiality and throughout the report (21-23)
201-1	Direct economic value generated and distributed 125

GRI Standard

Page / Information

201-3	Defined benefit plan obligations and other retirement plans	113
202-2	Proportion of senior management hired from the local community	11
203-1	Infrastructure investments and services supported	74
203-2	Significant indirect economic impacts	Throughout sustainability report
204-1	Proportion of spending on local suppliers	67%
205-1	Operations assessed for risks related to corruption	No significant risks were identified to corruption
205-2	Communication and training about anti-corruption policies and procedures	Training Courses Appendix
205-3	Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption with employees
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No relevant legal actions to report
207-3	Stakeholder engagement and management of concerns related to tax	43
301-2	Recycled input materials used	160-161
302-1	Energy consumption within the organization	162-163
302-3	Energy intensity	162-163
302-4	Reduction of energy consumption	162-163
302-5	Reductions in energy requirements of products and services	162-163
303-2	Management of water discharge-related impacts	162
304-5	Water consumption	162
305-1	Direct (Scope 1) GHG emissions	163-164
305-2	Energy indirect (Scope 2) GHG emissions	164-165
305-3	Other indirect (Scope 3) GHG emissions	165-167
305-4	GHG emissions intensity	167
305-5	Reduction of GHG emissions	163-167
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	163-167
306-1	Waste generation and significant waste-related impacts	160-161
306-2	Management of significant waste-related impacts	160-161
306-3	Waste generated	160-161
307-1	Non-compliance with environmental laws and regulations	There were no significant instances of non-compliance with environmental laws and regulations
308-2	Negative environmental impacts in the supply chain and actions taken	No significant negative environmental impacts were identified
401-1	New employee hires and employee turnover	115-116
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	118
401-3	Parental leave	116
403-1	Workers representation in formal joint management-worker health and safety committees	120
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	120
404-1	Average hours of training per year per employee	113-114
404-2	Programs for upgrading employee skills and transition assistance programs	Training courses annex
404-3	Percentage of employees receiving regular performance and career development reviews	Boubyan has a defined performance management approach for all workforce and is disclosed under, section 5.3 Performance Management (112)
405-1	Diversity of governance bodies and employees	108
406-1	Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during the reporting period
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not relevant to Boubyan
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There were no significant risks for incidents of forced or compulsory labor, 56, 105
413-1	Operations with local community engagement, impact assessments, and development programs	125-133
413-2	Operations with significant actual and potential negative impacts on local communities	There were no significant actual and potential negative impacts on local communities during the reporting period
414-1	New suppliers that were screened using social criteria	56
414-2	Negative social impacts in the supply chain and actions taken	There were no negative social impacts in the supply chain during the reporting period
416-1	Assessment of the health and safety impacts of product and service categories	76
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance concerning the health and safety impacts of products and services
417-2	Incidents of non-compliance concerning product and service information and labeling	There were no incidents of non-compliance concerning product and service information and labeling
417-3	Incidents of non-compliance concerning marketing communications	There were no incidents of non-compliance concerning marketing communications
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No data losses or breaches were reported, 104
419-1	Non-Compliance with Laws and Regulations in The Social and Economic Area	Boubyan follows CBK regulations for Social and Economic Area

Annex 5: Kuwait Boursa Index

Sustainability Dimensions	Sustainability Indicators	Page	
Economy	1. Annual report	https://boubyan.bankboubyan.com/en/Explore-boubyan/investors-relations/annual-reports/	
	2. Sustainability report	1	
	3. Local procurement spending (%)	105	
	4. Full time employees	109	
	5. Employee wages and benefits (KWD)	113, 118	
Environment	6. Environmental policy	No environmental policy reported	
	7. Energy use	162-163	
	8. Carbon emission	163-167	
	9. Water use	162	
	10. Waste generated	160-161	
	11. Waste recycled (%)	160-161	
	Social	12. Kuwaitization (%)	111
		13. Youth employment (%)	110, 114
		14. Injury rate	120
		15. Women in the workforce (%)	108
		16. Training hours per employee	113-114
17. Employee turnover (%)		115-116	
18. Human rights policy		No human rights policy reported	
19. Code of ethics		66-67, 69	
20. Community investment		125	
21. Board independence (%)		43-44, 68	
Governance	22. Risk management committee at the board level	41-42, 46-48	
	23. Non-audit fees (%)	43	
	24. Voting results	Voting results not disclosed	
	25. Links between executive pay and performance	43	
	26. Compliance with the CMA's Corporate Governance regulatory requirements	12, 66, 68	

Annex 6: Boubyan Open Branches in Kuwait

#	Branch Name
1	Derwaza
2	Mubarakiya
3	Min. Complex
4	Salmiya
5	Eqailah
6	Airport
7	Al-Adan
8	Bayan
9	Al-Rumaihiya
10	Fahaheel
11	Hutten
12	Mubarak Al-Abdullah
13	Al-Shuhada
14	Al-Dasma
15	Sediq
16	Manqaf
17	Subah Al-Salem
18	Hawalli
19	Farwaniya
20	Khaitan
21	Al-Ahmadi
22	Riqa
23	Al-Ardhiya
24	Ishbilia
25	Al-Dhahar
26	Al-Qaser
27	Jahra 1
28	Abdullah Mubarak
29	Saad Al-Abdullah
30	Jaber Al-Ahmed
31	Public Authority for Minor Affairs
32	Al-Audailiya
33	Al-Andalus
34	G1
35	Yarmouk
36	Avenues
37	Kaifan
38	Reqe
39	Qurtuba
40	Al-Khaldiya
41	Qibla

Annex 7: Boubyan IT and Digitization Staff Certificates

Certificate
Certificate
Masters of Business Administration (MBA)
Certified ScrumMaster (CSM) - Scrum Alliance
Project Management Professional (PMP) - Project Management Institute (PMI)
Microsoft Certified Professional (MCP®)
Microsoft Certified Technology Specialist (MCTS®)
Microsoft Certified IT Professional (MCITP®)
Microsoft Certified Technology Specialist (MCTS®)
SAP Certified Application Associate (SCAA®)
Certified Cloud Architect (CCA®)
SuiteCloud Developer II Certification
Certified Consultant - SAGE®
IT security manager
ISEB - BA
IFQ
Computer Security +
Network +
ISO 27001 Foundation
Level 4 - Cyber security technologist
Bachelors Degree in Computer Systems Engineering and Programming
Cisco CCNA
Various Microsoft certifications (Workstation, Serve, Exchange, SQL)
Linux Fundamentals
CISP
Ethical Hacking
Citrix Certified Associate
Azure (Implementing Azure Infrastructure Solution)

Annex 8: Sustainability / ESG Related Topics on BLME Social Media

1) Cybercrime prevention & Scam awareness / Stopfraud.org.uk
2) #Readoftheweek: The Responsible Investor: The potential of Islamic Finance to fill sustainable development goals
3) Local Business: Cartwright and Butler
4) #Readoftheweek:@spgglobalratings, the role of Islamic finance in ESG Investing
5) Conduct and Culture Series: Training for Staff
6) TreesforlifeUK: Local UK company supporting ecosystems in the Scottish Highlands
7) The SoapCo: local company creating ethical products and job opportunities for disabled or disadvantaged people.
8) @ForeignBanks.org: BLME Employees feature on industry expert panels: Risk / HR/ Trade finance / LIBOR
9) Vitality Big Half Marathon: raising money for the Felix Project
10) Evolve: Local UK company in Hertfordshire creating organic, hand crafted skincare
11) The Trussell Trust Redditch foodbank
12) DG Brownies: Local UK Company
13) Fat Macys: Local London Social enterprise supporting young people transition from temporary to permanent accommodation
14) Vulnerable Customers Training provided for all our employees in consideration to COVID crisis
15) Hashi Mohammed: UK Lawyer and author of "People like Us" discussing issues of social mobility, inequality and ethnicity in modern Britain
16) Islamic Finance Forum Partnership: bringing together European regulators, Standard setters, leaders and Islamic Finance practitioners
17) Good Money Week: aims to raise awareness on how to use your money ethically
18) World Savings Day: importance of Savings to modern economies and to individual financial wellbeing
19) World Mental Health day 2020
20) Talk Money Week: Encouraging financial wellbeing

Annex 9: Impacts per Digital Platforms and Processes

Platform	Process	Impact
RPA/retail app	WU beneficiary activation through retail app	<ul style="list-style-type: none"> Enhance Customer Experience FTE Savings Increase Operational Efficiency
RPA	CBK Monthly files: Automate the process of uploading Assets and Liabilities Statement files into CBK portal	<ul style="list-style-type: none"> Increase Operational Efficiency Reduce Human Errors Regulatory Compliance
RPA	Payment Files: Automate processing payments file of third parties	<ul style="list-style-type: none"> FTE Savings Reduce Operational Risk
PEGA	Personal Finance (PF) Deal Update Corporate Changes & enhancements for CAD process	<ul style="list-style-type: none"> Enhance Customer Experience Enhance Staff User Experience FTE Savings Increase Operational Efficiency Reduce Human Errors Internal Audit Compliance
RPA	Claims: Automate raising claims on VISA and the KNET Payment Gateway	<ul style="list-style-type: none"> Enhance Staff User Experience FTE Saving Reduce Operational Risk Regulatory Compliance

RPA	Share prices: retrieve shares prices from the Kuwait Boursa and update in the Islamic core banking platform (iMAL)	<ul style="list-style-type: none"> Enhance Staff User Experience FTE Savings Increase Operational Efficiency Internal Audit Compliance Reduce Human Errors
RPA	Siron Embargo: Automate Siron embargo alerts	<ul style="list-style-type: none"> Enhance Customer Experience Enhance Staff User Experience FTE Savings Increase Operational Efficiency Reduce Human Errors
RPA	Vault Excess: obtaining approvals from branch managers for vault excess	<ul style="list-style-type: none"> FTE Savings Internal Audit Compliance Reduce Human Errors Reduce Operational Risk
RPA	Overdrawn Accounts: Extracting reports for all overdrawn account and collect approvals from users	<ul style="list-style-type: none"> Internal Audit Compliance Reduce Human Errors Reduce Operational Risk

Annex 9: Impacts per Digital Platforms and Processes

Platform	Process	Impact
PEGA	Corporate Banking - Changes & enhancements for Cash Against Document (CAD) process	<ul style="list-style-type: none"> Enhance Customer Experience Enhance Staff User Experience FTE Savings Increase Operational Efficiency Reduce Human Errors Internal Audit Compliance
PEGA	Corporate Banking - Changes & enhancements for Funds Available for Distribution (FAD) process	<ul style="list-style-type: none"> Enhance customer Experience Enhance Staff User Experience Increase Operational Efficiency FTE Savings (CCOD) FTE Savings (Corporate) Internal Audit Compliance (check list) Reduce Human Errors (check list)
PEGA	Claims process	<ul style="list-style-type: none"> Enhance Customer Experience Enhance Staff User Experience FTE Savings Enhance Staff User Experience FTE Savings Increase Operational Efficiency FTE Savings Enhance Staff User Experience FTE Savings Enhance Customer Experience Enhance Staff User Experience
PEGA/retail app	Cash Credit (CC) Exceeding Balance Transfer	<ul style="list-style-type: none"> Increase Operational Efficiency FTE Saving Reduce Operational Risk

PEGA	Early Settlement Branches Process	<ul style="list-style-type: none"> Enhance Customer Experience Enhance Staff User Experience FTE Saving Increase Operational Efficiency Internal Audit Compliance Reduce Human Errors Reduce Operational Risk
PEGA	Early Settlement Branches Process	<ul style="list-style-type: none"> Enhance Customer Experience Enhance Staff User Experience FTE Savings Increase Operational Efficiency Reduce Operational Risk
PEGA	Product Management personal finance (PF) Enhancements	<ul style="list-style-type: none"> Enhance Customer Experience Enhance Staff User Experience Increase Operational Efficiency FTE Saving Internal Audit Compliance (check list) Reduce Human Errors (check list)
PEGA	Product Management personal finance (PF) Enhancements	<ul style="list-style-type: none"> Enhance Operational Efficiency FTE Saving Reduce Human Errors



بنك بوبيان

Boubyan Bank